

Future Skills for Victoria

Driving collaboration and innovation in post-secondary
education and training

Final Report of the Skills for *Victoria's Growing Economy* Review
The Honourable Jenny Macklin



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Designer

Peta Stamell, 89 Degrees East



Chair's Letter



Dear Minister,

I am pleased to present you with the final report and recommendations of the *Skills for Victoria's Growing Economy Review*.

Thank you for the opportunity to undertake this work. Since you announced the Review in 2019, its importance has intensified as Victoria confronts the impacts of the pandemic, with rapidly rising unemployment and dramatic economic decline.

A strong post-secondary education and training system is essential to Victoria's economic recovery. More than ever, the system needs to step up to meet the state's skills needs and provide a sense of confidence that all those who need work can gain qualifications that employers will recognise and value. Young Victorians especially need to maintain a sense of hope and opportunity in these tough times. I believe that the reforms proposed in this report will give Victorians their best chance to build their skills and careers, and the standard of living to which they aspire.

The generous contributions of the people who make up our post-secondary education and training system have been invaluable to the Review. Undertaking this Review has been an honour, as time and again I heard from inspiring people who do so much to improve the life chances of their fellow Victorians. Students, teachers, TAFE directors, other VET providers, adult and community educators, university researchers and vice chancellors, union leaders, industry and business have all shared their views and experiences openly. They are all deeply committed to lifting the quality and outcomes of our skills system.


Over the last six months, the Review team has worked and consulted with stakeholders remotely to comply with health and safety requirements during the pandemic. I thank everyone for their willingness to engage in this way.

This report would not have been possible without the commitment of the high-quality team who made outstanding contributions. I wish to express my gratitude to Dr. Jen Jackson from Victoria University, Amy Barry-Macaulay, Jenny Mitchell, Sophia Agneskis, and Alistair Webster, and to



Professor Rod Glover, Dr Lara Werbeloff and James Button from Monash University. My thanks also to the staff in the Department of Education and Training for their support.

Yours sincerely



Jenny Macklin

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Executive summary

When the Victorian Government commissioned the *Skills for Victoria's Growing Economy* Review in late 2019, few could have known how central the issues raised by this Review would become to Victoria's economic future. Of all states and territories, Victoria has been hit hardest by the COVID-19 crisis. Like so many populations around the world, Victorians face mounting economic insecurity in the wake of this global pandemic. Early analysis indicates that unemployment is expected to peak at 11 percent,¹ higher than the recession of the early 1990s, and is likely to stay high until 2025, even after the state's GDP begins to rebound. The top priority, after ensuring that Victorians are safe and healthy, will be getting people back to work, getting businesses back on their feet, and driving a stronger recovery.

Post-secondary education and training – encompassing vocational education and training (VET), pre-accredited adult, community and further education (ACFE), and universities – is vital to this task. Jobs are created and businesses grow when Victorians learn new skills and apply these skills in the workforce. Within the post-secondary education and training sector, VET presents both the greatest challenge and the greatest opportunity. It is also the part of post-secondary education for which the State Government has most responsibility. For these reasons, recommendations from this Review focus primarily on vocational education and training.

VET trains many of the nurses and health and aged care workers who are on the frontline of the pandemic. It trains many of the tradespeople, technicians, construction and infrastructure workers and business managers who will be central to Victoria's economic recovery. VET in Victoria accepts nearly 610,000 enrolments a year, compared to about 450,000 in higher education.² About one in three Victorian adults proudly cite a VET qualification as their highest level of learning. All Victorians benefit every day from a capable, committed VET sector.

But in its current form, our VET system may struggle to meet the new demands it will face. Its competitive market model too often pits training providers against each other to deliver courses that generate short-term profit without the long-term benefit for learners or the economy. It also allocates too much risk to learners, who can pay widely different fees for courses that don't always guarantee a good job today, or a ticket into the transformed labour market of tomorrow.

COVID-19 has heightened these pressures, because as people lose jobs, they seek training to be ready for new ones, potentially overloading a strained system. This Review was heartened to learn that the pressures created by COVID-19 have forged a new spirit of collaboration in the system, as providers work together and innovate to ensure their students get the skills they need. In this moment lies an opportunity. The Review heard widespread agreement from employers, training providers and Victoria's communities that difficult times demand a concerted, collective effort to match the skills we need to the talents, energy and aspiration of Victorian learners and workers.

¹ Department of Treasury and Finance, *Coronavirus Economic Outlook: Fact Sheet*, April 2020. See: <https://www.dtf.vic.gov.au/sites/default/files/document/Coronavirus%20Economic%20Outlook%20-%20Fact%20Sheet.pdf>

² DET advice based on total VET program enrolments in Victoria in 2019 as set out in NCVER data (<https://www.ncver.edu.au/research-and-statistics/data/databuilder#tva-subject-enrolments>) and 2019 enrolments in universities in Victoria as set out in Australian Government Department of Education, Skills & Employment data (<http://highereducationstatistics.education.gov.au/>).



Today's incredibly challenging outlook should not conceal Victoria's future economic opportunities. They are strong in the digital, clean energy, care and advanced manufacturing sectors, as well as construction and other sectors that will create new skills needs with stimulus investment. To grow, these industries rely on a large pipeline of VET-qualified workers. Modelling undertaken for the Review suggests that an active skills policy that anticipates and targets skill shortages, aligned with industry policy, could support the creation of an additional 415,000 jobs by 2030.³

To achieve this, the Review has developed an integrated set of recommendations to ensure that government, industries, communities and education and training providers can work together to build a VET system focussed on Victoria's future. The reward for genuine partnership is a system that not only enables learners to find jobs but, in planning and meeting the state's skills needs, will also help to create jobs and shape a strong economy for all Victorians.

This Review's cornerstone recommendation is for the Government to create a new independent body, FutureSkills Victoria, to act as a champion and steward of the skills system. The Government will continue to determine policy, regulation and funding. The recommendation to establish FutureSkills Victoria emerges from the Review's deep consultation with skills providers, industry, unions and communities. Many stakeholders called for stronger, more unified leadership of the sector. FutureSkills Victoria would be a new platform to drive system reform and promote a new way for all parts of the system to work together, building on the collaborative spirit forged through COVID-19.

The core recommendations in this Review describe how FutureSkills Victoria would transform the skills sector through a more collaborative approach, creating potentially lasting benefits for innovation, effectiveness and efficiency.

The first three chapters of this report set out the role of FutureSkills Victoria in creating a collaborative, innovative skills sector to give Victoria a competitive advantage, with a focus on enabling VET to reach its full potential. Later chapters show how these system reforms could improve the experiences of students, employers, teachers and communities by building a skills sector that responds to their needs.

The economic and jobs dividend from skills reform is significant. Reform can help to produce a faster and stronger economic recovery. Yet there is even more at stake than the future economy.

The Review heard time and again that Victorians care about how training is developed and delivered: who gets access to it; who pays for it and who benefits from it; what economic and social benefits flow from it; and what jobs it leads to.

This Review offers its report and recommendations in the belief that they can have a profound and beneficial impact on our economy and society, on Victorians of all ages, but especially the young. Victoria has a great opportunity to achieve lasting change. If we fail, all Victorians will pay the economic and human price of a slower recovery. If we succeed, we can skill our workers and businesses, prepare our economy for the future, and enable all learners to lead rewarding, contributing lives.

³ ____ (2020) *Vic's post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.

Implementing reform

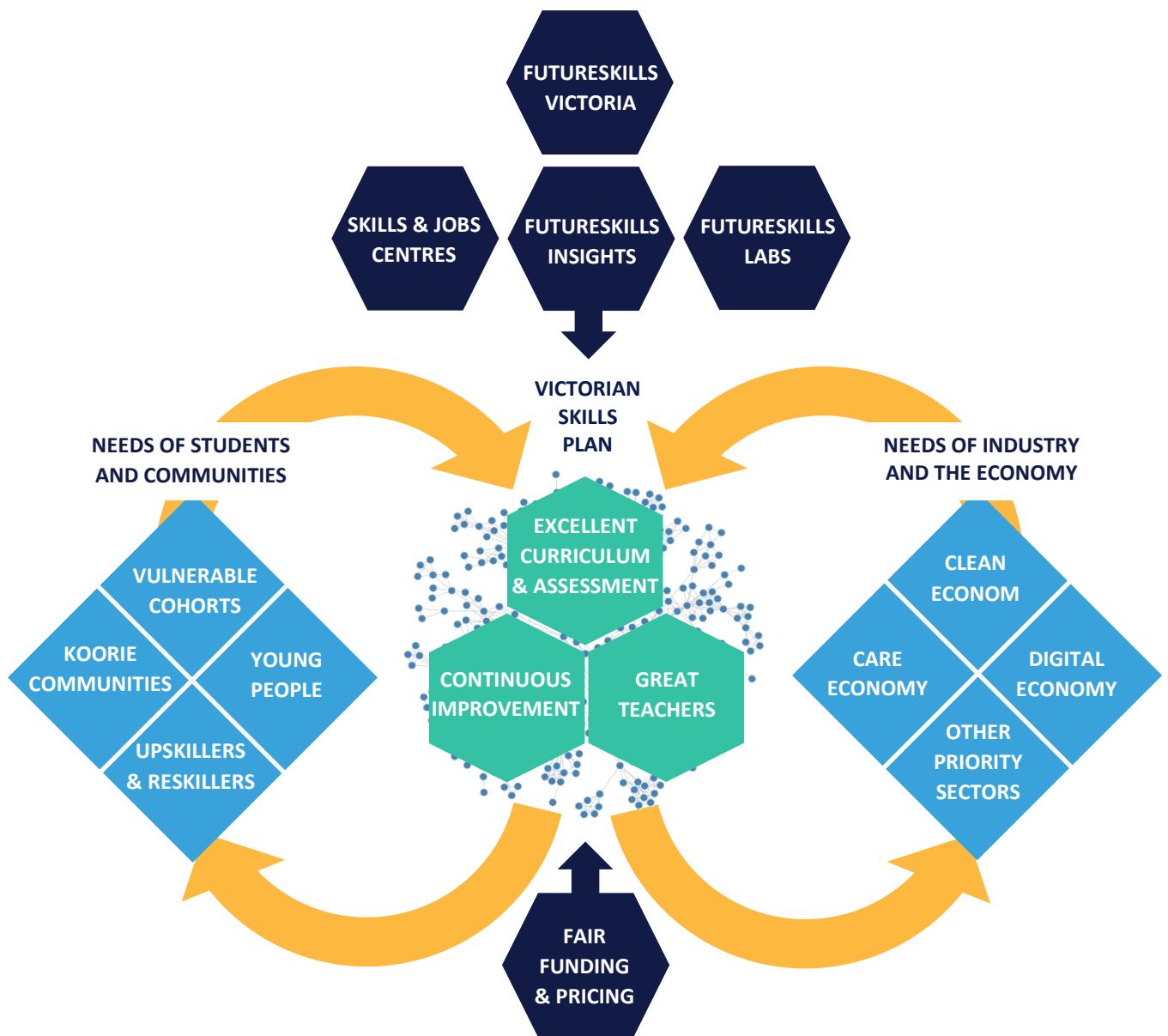
Successful implementation of the reforms proposed in this report requires a recognition of the heavy demands on those working in the VET system during this difficult period. Introducing significant reform all at once would be neither feasible nor desirable. The Review therefore proposes a staged implementation approach that engages with key stakeholders and which distinguishes immediate reforms from medium-term goals.

Reform undertaken *with* the system not *to* the system is the only way to ensure that change is effective, supported and sustained. The Review has put a priority on changes that the sector and community are calling for and which the system needs *now*.

The most immediate priorities identified by this Review are to:

- Establish a strong institutional base for a more collaborative skills system that can deliver the training requirements Victoria needs (FutureSkills Victoria)
- Build an evidence and data base that can support improved planning and decision making (FutureSkills Insights)
- Begin development of an annual Victorian Skills Plan that sets out Victoria's skills needs for the year ahead and beyond
- Develop an understanding of costs, subsidies, prices, loadings and concessions to enable the Victorian Government to produce a fairer VET funding model
- Establish specialised FutureSkills Labs, commencing with the Clean Economy, Care Economy and Digital Economy (FutureSkills Labs)
- Strengthen on-the-ground support available to local learners and businesses (expanded Skills and Jobs Centres)
- Begin to develop and share excellent curriculum and improve professional learning for VET and ACFE teachers.

Figure 1: The shape of Victoria's skills system led by FutureSkills Victoria



Recommendations

Recommendation 1.1 – Establish FutureSkills Victoria

The Victorian Government should:

- Establish FutureSkills Victoria as a purpose-led organisation that would be a leader, steward and champion of the Victorian VET system.
- Appoint a skills-based Board to lead FutureSkills Victoria that is:
 - made up of experts from across the sector, and
 - accountable to the Minister for Training and Skills for enhancing the relevance, quality and equity of the VET system.
- Authorise FutureSkills Victoria to coordinate collaboration across the VET system by:
 - understanding, planning and monitoring skills supply and demand through FutureSkills Insights
 - understanding, planning and monitoring the cost of course provision
 - commissioning and sharing innovation through the FutureSkills Innovation Fund
 - leading collaboration that meets the needs of priority industries through FutureSkills Labs
 - leading collaboration that meets the needs of students and communities through expanded Skills and Jobs Centres (SJs)
 - commissioning and sharing high-quality curriculum
 - commissioning and sharing high-quality teacher professional development, and
 - setting clear expectations that providers will collaborate with other providers, industry, unions, and with government, in pursuit of their shared purpose.
- Commission advice from FutureSkills Victoria on how to build a more efficient and effective VET system, including by asking it to consider the establishment of shared services across the Technical and Further Education (TAFE) network.

Recommendation 1.2 – Support a quality TAFE network

The Victorian Government should:

- Through FutureSkills Victoria, support a clear anchor role for the TAFE network within a collaborative, diverse skills sector, including as a leader in FutureSkills Labs and the development of shared curriculum, and as a critical partner in Skills and Jobs Centres.



- Through FutureSkills Victoria, work with TAFEs and the Victorian TAFE Association to gradually develop and implement shared corporate services that are now delivered separately by each TAFE Institute.
- Maintain diversity within the Victorian TAFE network, and ensure they have greater autonomy to deliver on their sector leadership role by reviewing Commercial Guidelines and other policies.
- Support and promote a TAFE network that becomes the quality benchmark for the entire VET system.

Recommendation 1.3 – Strengthen connections between TAFE and training, higher education and ACFE

FutureSkills Victoria should:

- Strengthen partnerships between TAFE and training, higher education and ACFE providers to unblock the flow of students through the sectors and enable the post-secondary sector to respond with more agility to the economy’s needs by:
 - brokering further collaboration and pathways between VET and higher education providers, beginning with industry-specific pathways developed by FutureSkills Labs in priority sectors of the economy
 - working with the ACFE Board to formalise proposals for closer relationships between ACFE and TAFE.

Recommendation 2.1 – Improve data for decision-making

The Victorian Government should:

- Establish FutureSkills Insights, an integrated data and insights function within FutureSkills Victoria that generates, collects and shares relevant data and evidence among all system participants. FutureSkills Insights would:
 - constitute a go-to online platform where the system’s knowledge and insights from practice can support decisions by industry, communities, providers and students
 - draw data from a range of system-wide and local sources, and negotiate mutually beneficial access arrangements with data owners and custodians
 - facilitate systemwide debate about data and its interpretation
 - collect new data in response to identified needs, especially job outcomes.
- Fund FutureSkills Insights at a level that would ensure its data function can continue to be built, not merely maintained.
- Undertake immediate data analysis on the impact of COVID-19 on young people.

Recommendation 2.2 – Establish a Victorian Skills Plan

The Victorian Government should:

- Commission FutureSkills Victoria to publish, from 2022, an annual Victorian Skills Plan that sets out Victoria’s skills needs for the year ahead and beyond by:
 - drawing on data, evidence and insights from the FutureSkills Insights platform, and from all providers in the VET, ACFE and higher education sectors
 - building on analysis of industry skills needs, current and needed training courses, and efficient and effective pricing information ensuring that provision of courses meets equity goals.
- Use the Plan to inform negotiation between DET and providers about the courses to be ‘in scope’ in provider contracts.
- Require FutureSkills Victoria to make a draft available for public comment before it is published online, after negotiations with providers over contracts, and to regularly update the Plan to show how Victoria’s skills needs will be met.

Recommendation 2.3 – Establish a FutureSkills Insights student interface to support decision-making

FutureSkills Victoria should:

- Develop a user-friendly online platform within FutureSkills Insights to help current and prospective students choose courses and providers. Over time the platform would:
 - provide clear information about the link between courses and jobs, and about the respective merits of all forms of post-secondary education and training, including university and VET options for entering selected industries, and ACFE options as entry points into further learning
 - provide information about individual course fees, costs, requirements and logistics, and supports for students to meet costs and succeed in their courses
 - connect students to live decision-making support where required, either through real-time online services or face-to-face services in expanded SJs.

Recommendation 2.4 – Publish selected performance data for Skills First providers

FutureSkills Victoria should:

- Work with all skills sector stakeholders to identify VET provider performance measures, to be published on the FutureSkills Insights platform, in order to enable students to choose quality courses. This would involve:



- consulting stakeholders on a VET Continuous Improvement Framework as an internal tool for informing continuous improvement and as an external measure of VET quality
- working with providers to identify appropriate measures of performance for publication
- agreeing on appropriate methods to enable fair comparison between providers
- committing to ongoing monitoring and evaluation of use of performance indicators in student decision-making and provider improvement, and making adjustments as needed to ensure data is fair and fit-for-purpose.

Recommendation 2.5 – Establish a culture of continuous learning

FutureSkills Victoria should:

- Establish a culture of continuous learning in the Victorian skills sector by:
 - creating an insights liaison function within FutureSkills Insights to connect sector leaders with the best evidence and data to inform their practice
 - integrating an expanded VET Development Centre (VDC) into FutureSkills Victoria to connect practice insights to teacher professional learning
 - activating research capability within the skills sector
 - modelling and supporting a learning culture in all FutureSkills Victoria activities.

Recommendation 3.1 – Develop a new model for financing the VET system

FutureSkills Victoria should:

- Develop an understanding of costs, subsidies, prices, loadings and concessions to enable the Victorian Government to produce a new VET funding model linked to the development and delivery of the Victorian Skills Plan.
- Support the development of a new VET funding model that:
 - is guided by a published set of principles that seek to strengthen the quality, efficiency, stability, transparency and equity of funding
 - aligns payments to providers with the Victorian Skills Plan
 - allocates payments in a way that respects and sustains the strengths of both public and private providers
 - establishes an independent, transparent methodology and process to inform a set of base costs for all publicly funded courses and qualifications
 - indexes subsidies annually, and reviews the actual costs of delivery at least every three years

- recognises the basis of the cost differentials between public and private providers, and the unique role envisaged for TAFEs
- shifts to funding delivery on the basis of course or qualification costs, rather than paid hours
- ensures that fully funded and free foundation skills courses are accessible to all Victorians who need them at any time in their career.
- Establish a FutureSkills Innovation Fund to enable providers, industry and communities to work together on innovation projects.

Recommendation 3.2 – Ensure fairness in what students pay

The Victorian Government should:

- Make student payments for VET courses more standardised, transparent and fair by:
 - continuing to use Free TAFE to meet emerging labour market needs in Victoria’s economic recovery
 - introducing full-fee regulation for all other courses receiving public support
 - as part of fee regulation, put a floor under the base price to prevent providers undercutting fees and reducing quality, and a cap on fees to prevent providers maximising profits within a rationed system
 - enabling providers to seek approval to deviate from fee regulation when they can make a case based on value for money.
- Commission FutureSkills Victoria to advise on fee regulation as part of its role developing a new VET funding model.
- Exercise caution before expanding student loans for VET students, due to differences in the earnings and risk profiles of VET students relative to university graduates.

Recommendation 3.3 – Ease eligibility restrictions

The Victorian Government should:

- As a matter of urgency, remove eligibility restrictions on government-subsidised training to support Victorians who are unemployed or underemployed as a result of the COVID-19 crisis.
- Remove eligibility restrictions that apply to foundation skills courses and provide access to these courses based on learner needs, with appropriate protections for quality.
- Review and reset eligibility criteria for all government-subsidised training to improve access and equity, and support lifelong learning, while maintaining high-quality provision across the VET system. In doing so:
 - develop transparent eligibility rules that are focussed both on learners’ needs and on economic priorities as determined through the Victorian Skills Plan

- remove all restrictions based on prior qualifications for learners seeking to reskill or upskill in order to access job opportunities in Victoria’s priority industries
- integrate eligibility rules for access to government-funded training with other reforms that aim to deliver a lifelong entitlement to learning, including Lifelong Learning Accounts as proposed in this Review.

Recommendation 3.4 – Finance lifelong learning

The Victorian Government should:

- Advocate for the Commonwealth Government to consider establishing Lifelong Learning Accounts that would:
 - accumulate through the working lives of all workers, and be drawn down to access approved education and training at a time that suits their career needs
 - be fully funded by the Commonwealth for the duration of the economic recovery, recognising the current pressures and insecurities confronting both businesses and workers, and the fact that most fiscal returns from skills-based growth accrue to the Commonwealth
 - require co-contributions from workers and employers once the economy has recovered
 - integrate with other proposals such as digital Learner Profiles, and loan programs such as HECS and HELP, to provide learners with a clear picture of their progress and potential pathways.
- Through FutureSkills Victoria, guarantee young and unemployed Victorians access to supported opportunities to study, work, or combine the two.
- Work with the Commonwealth Government to support employers to sustain investment in apprenticeships and traineeships for both current and new apprentices and trainees.
- Develop and fund general or multi-industry pre-apprenticeships and traineeships in priority skills clusters, in collaboration with the Apprenticeship Employment Network (AEN) and TAFEs.

Recommendation 4.1 – Establish specialised FutureSkills Labs

The Victorian Government should:

- Establish FutureSkills Labs within FutureSkills Victoria to bring together leading education and training providers, industry, unions and communities to co-design new approaches to skills development, informed by leading industry practices and technologies, and aligned with industry policy.
- Begin by establishing:
 - A Clean Economy FutureSkills Lab to develop the new training approaches to enable Victoria to meet its clean energy and circular economy goals

- A Care Economy FutureSkills Lab to develop the new training approaches to meet the evolving needs of the care economy
- A Digital Economy FutureSkills Lab to develop the new training approaches that would support a new Digital Jobs and Skills Strategy.
- Ensure that all FutureSkills Labs co-design a Skills Plan for their sector within the Victorian Skills Plan, develop new courses to create skilled jobs in their sector, and pursue opportunities for jobs in metropolitan and regional Victoria.
- Through FutureSkills Victoria, identify a leading TAFE to convene each FutureSkills Lab by drawing together a coalition of other TAFEs, Skills First providers, universities and ACFE providers, along with industry, government, union and community partners.
- Provide FutureSkills Labs with a significant base level of operational funding, and support the implementation of priority projects through the FutureSkills Innovation Fund.
- Over time, consider expanding the FutureSkills Labs model to cover traditional industries such as advanced engineering, design and manufacturing; agriculture and food; and tourism and the experience economy – integrated with established vehicles in these sectors.

Recommendation 4.2 – Promote innovative learning for the future

FutureSkills Victoria should:

- Through FutureSkills Labs, provide priority industries with a forum for testing new models and innovative practices in education and training by:
 - developing ‘stackable’ microcredentials that are validated for quality and built into the Government’s funding model for VET courses, and that employers would recognise as a step towards full qualifications
 - strengthening learning pathways between ACFE and the broader VET system, and VET and higher education
 - developing higher apprenticeships and increasing work-integrated learning, including by working with the Victorian Government to introduce apprenticeships and traineeships at higher level qualifications.

Recommendation 4.3 – Scale up innovation in digitally-supported learning

FutureSkills Victoria should:

- Work across Government to develop a Digital Jobs and Skills Strategy for Victoria, using the Digital Economy Skills Plan developed by the relevant FutureSkills Lab as a base.
- As part of the Strategy, work through the Digital Economy FutureSkills Lab to:



- identify leading practice in online and blended learning, and integrate it into the development of shared curriculum
- co-design (with industry, providers and online learning experts) online work-integrated learning models that combine frontier digital practices in industry with cutting-edge learning
- examine best practice in ensuring equity in the use of technology in online and blended learning environments, both during COVID-19 and at other times
- develop strategies to ensure that all learners (particularly vulnerable learners) can access high-quality online learning in ways that best suit them
- use examples of best practice in online delivery to inform costings for quality digital delivery in the new VET funding model.

Recommendation 4.4 – Establish digital Learner Profiles and advocate for updating digital skills in VET programs and National Training Packages

FutureSkills Victoria should:

- On the FutureSkills Insights student platform, establish a system of digital Learner Profiles that record individual skills and credentials and are:
 - informed by a framework for recognising skills and credentials across all recognised post-secondary education and training
 - connected to other components of the FutureSkills Insights student platform, to help students match their skills to future courses and job requirements.

The Victorian Government should:

- Advocate at a national level to update digital skills embedded in VET programs and National Training Packages in order to cater for future digital skills requirements. This could occur as part of general training package improvements (see 6.3).

Recommendation 5.1 – Expand Skills and Jobs Centres to connect local people, skills and jobs

The Victorian Government should:

- Establish expanded SJs within FutureSkills Victoria to:
 - provide a visible on-the-ground focal point for industry, providers and communities to plan together, support local learners to access the skills needed to get good jobs, and to ensure that skills needs of local businesses and economies are articulated, understood and met
 - provide independent careers support for learners, and broker transitions into education and training that lead to good jobs and careers



- maintain strong relationships with employment services by collaborating with partners of the Jobs Victoria Employment Network, and by promoting skill development opportunities to Jobactive services
- broker stronger connections between vulnerable Victorians and other support services, including Wurreker Brokers and Koorie Liaison Officers (KLOs), Education First Youth Foyers, Skills First Reconnect providers and Local Learning and Employment Networks (LLENs)
- bring Principal Regional Advisors (PRAs) into the expanded SJs model, increasing the capacity to broker joined-up efforts across education and training providers to deliver skills for larger-scale projects
- integrate the Victorian Government’s TAFE and Training line
- develop innovative local skills projects that can apply for funding through the FutureSkills Innovation Fund
- develop the capacity of multiple training providers to meet local industry skills needs that are not financially viable for any one institution.
- Invest in expanded SJs by:
 - establishing an expanded and ongoing budget that can deliver FutureSkills Victoria’s collaborative approach at the local level to ensure that the skills system is equipped to meet the current and future needs of local learners and businesses
 - facilitating investment in priority local projects, including through access to the FutureSkills Innovation Fund (which would absorb a component of the Regional and Specialist Training Fund).
- Emphasise the role of SJs in delivering against the Victorian Skills Plan and the state’s economic recovery plan, in supporting grassroots innovation that helps meet Victoria’s skills and economic needs, and in participating actively in a more networked Victorian skills system.

Recommendation 5.2 – Embed self-determination for local Koorie communities

The Victorian Government should:

- Equip FutureSkills Victoria to:
 - work with education and training providers to improve cultural safety in all forms of provision, and promote Koorie involvement in institutional leadership
 - support delivery of courses relevant to Koorie culture and identity, including Aboriginal languages and other skills that build Koorie communities’ strength
 - collaborate with DET on ways to streamline the process by which Aboriginal Community Controlled Organisations can enter the training market.

- Embed practical support for Aboriginal Victorians into expanded SJs to ensure that local initiatives contribute to self-determination for Koorie communities by:
 - expanding the Wurreker Broker initiative so that Koorie communities are adequately represented in all SJs, and providing increased funding for Wurreker Brokers and Koorie Liaison Officers
 - ensuring that a new Koorie Skills Plan is embedded within the Victorian Skills Plan and refreshed annually
 - developing community initiatives for Koorie-led models of education and training to be considered for support through the FutureSkills Innovation Fund.
- Ensure that Wurreker Brokers, while they will be co-located with other support services in expanded SJs, remain employed by and under the remit of the Victorian Aboriginal Education Association Inc. as per the Self-Determination Reform Framework.

Recommendation 5.3 – Scale up and connect leading models of student support

The Victorian Government should:

- Expand funding for successful programs for vulnerable job seekers and young people at risk of homelessness, including:
 - the Skills First Reconnect program
 - Education First Youth Foyers, including the establishment of new Youth Foyers connected to SJs at all regional TAFEs.

FutureSkills Victoria should:

- Create a more connected model of student support by:
 - using examples of best practice in student support to inform costings for the loadings for different student cohorts in the new VET funding model
 - providing career and transitions support through expanded SJs, and combining career advice with referrals to other forms of financial, health and social support
 - funding expanded SJs to provide wraparound case management and support to more students
 - identifying leading models of student support and commission leading providers to create guidance for all VET and ACFE providers about effective programs and best practice
 - supporting teachers and their institutions to monitor student progress and raise awareness of available supports
 - investing sufficiently in expanded SJs to ensure effective student case management throughout the learning process, as well as a shared model for specialised student support.

Recommendation 5.4 – Coordinate work-integrated learning in local communities

The Victorian Government should:

- Through FutureSkills Victoria, fund expanded SJs to work with employers and providers to improve access to placements and work-integrated learning in local communities by:
 - encouraging more local employers to offer work placement opportunities to students, and allocating these places to providers, ensuring fair access to placements across different types of providers
 - promoting the benefits of taking on work placement students within local communities, as part of businesses' contribution to economic recovery
 - creating opportunities to implement new models of workplace-based learning, including models developed by FutureSkills Victoria and FutureSkills Labs.
- Enable employers to register their availability to participate in work-integrated learning through a FutureSkills Victoria portal modelled on DET's Structured Workplace Learning Statewide Portal for schools.
- Model integration of work and learning by maximising the number of placement opportunities offered in government jobs and including strategies for employers to support students into work placements as a condition of government purchasing.

Recommendation 5.5 – Expand support for apprentices and trainees

The Victorian Government should:

- Provide recurrent funding for the Apprenticeships Support Officer (ASO) program, support more ASOs, and extend their role by:
 - resourcing support beyond the first year of training, and supporting trainees
 - ensuring that the creation of additional ASOs reflects the diversity of learners, and provides role models for apprentices and trainees in non-traditional industries
 - expanding mental health support and referral pathways for apprentices and trainees, as part of improved support for all students.
- Incorporate ASOs into expanded SJs under FutureSkills Victoria, to connect them to the full range of support services that may benefit apprentices and trainees.
- Continue to invest in the AEN in order to recognise the importance of group training in the apprenticeship and traineeship system, and pursue registration for Group Training Organisations to maintain trust in quality organisations.
- Continue to monitor the Retrenched Apprentices and Trainees Program to connect it with opportunities in job creation programs.

- Fund an awareness campaign to make employers more aware of the benefits and responsibilities of supporting apprentices and trainees, as part of efforts to boost apprenticeship and traineeship numbers during the recovery.

Recommendation 5.6 – Place students at the centre of learning

FutureSkills Victoria should:

- Place students at the centre of learning in all collaborative initiatives, including by:
 - ensuring student (including youth) representation on the FutureSkills Victoria Board
 - commissioning FutureSkills Insights to compile data and insights about barriers to engagement for vulnerable groups and to disseminate insights about overcoming them
 - ensuring expanded SJs engage with diverse community representatives – including from Koorie communities and multicultural, disability and social services groups – in order to identify opportunities for local providers to co-design and deliver courses that meet their specific needs
 - co-designing practices with students from diverse backgrounds as part of commissioning shared curriculum
 - ensuring that the VDC draws on its partnerships with communities to develop a suite of teacher professional learning activities that respond to diverse learners, and to offer opportunities for VET and ACFE teachers to share expertise.

Recommendation 6.1 – Develop and share excellent curriculum

The Victorian Government should:

- Equip FutureSkills Victoria to lead the development and sharing of high-quality curriculum for all VET providers by:
 - identifying curriculum leaders in key curriculum areas, and convening panels of providers, industry, students and community representatives to evaluate existing teaching, learning and assessment resources
 - commissioning providers (consortia of TAFEs and other Skills First providers) to work with industry, community stakeholders and regulators to develop leading curriculum into resources for sharing across the sector
 - requiring the VDC to establish professional learning communities to review, adapt and update shared resources over time
 - requiring the VDC to support leading providers to develop and deliver training for VET teachers who apply shared resources in their practice
 - incentivising Skills First providers to adopt, adapt and continuously improve shared resources (including through professional learning communities)

- enabling the licensing of curriculum to other providers, to lift the quality of teaching, learning and assessment resources across the VET system.

Recommendation 6.2 – Improve assessment through shared resources and moderation

The Victorian Government should:

- Through FutureSkills Victoria, improve the quality and consistency of VET assessment by:
 - establishing moderation panels in key curriculum areas, comprising teachers from multiple providers and industry representatives
 - identifying leading resources and practices for the Recognition of Prior Learning (RPL), and strategies for scaling them up across the sector, including through the possible creation of RPL hubs, through which students can gain credit to be used at any provider
 - creating guidance on graded assessment in key curriculum areas, following negotiation with the Commonwealth Government and regulators
 - improving industry’s role in assessment by involving industry in moderation panels and extending independent validation of assessment in high-risk areas.

Recommendation 6.3 – Lead national reform to get training packages right

The Victorian Government should:

- Position Victoria as a leader in national training package reform by:
 - using FutureSkills Victoria to develop shared curriculum to build an evidence base for national reform of training product development
 - working with the Commonwealth and other states and territories to examine lessons from the fast-tracked qualifications approval model used by the Emergency Response Sub-Committee of the Australian Industry Skills Committee, and the model’s potential use for updating national training packages.

Recommendation 6.4 – Grow the next generation of VET innovators

The Victorian Government should:

- Pursue a strategy through FutureSkills Victoria to grow the VET workforce by:
 - leading development and scale-up of flexible models for entry into VET teaching careers, including industry-specific teacher training and a traineeship pathway for industry experts and leading innovators to transition into VET teaching



- identifying and sharing best practice in teacher recruitment and retention, including dual employment models in teaching and industry, and using student alumni networks to identify future teachers
- working with providers, unions and research bodies to improve data on the VET teaching workforce (through use of FutureSkills Insights), thereby helping to renew a workforce with capacity to respond to community and industry needs.

Recommendation 6.5 – Set clear expectations for VET and ACFE teacher professional learning

The Victorian Government should:

- Set clear expectations for providers that all VET and ACFE teachers will engage in regular professional development by:
 - establishing in provider contracts that all VET teachers (including casuals) will have access to regular professional learning, both to maintain current industry knowledge and seek higher qualifications
 - setting explicit expectations in ACFE registration requirements that all teachers will be supported to engage in professional development
 - committing to fund the costs of regular teacher professional learning for all ACFE and Skills First providers in new funding models for quality VET and ACFE.

Recommendation 6.6 – Expand collaborative teacher professional learning

FutureSkills Victoria should:

- Through the VET Development Centre (VDC), expand the suite of professional development options available to teachers in the skills sector by:
 - establishing a mentoring program for beginning VET teachers as part of the supported VET teacher preparation program proposed above
 - supporting more fellowships for leading teachers to undertake action research
 - establishing professional learning communities that include industry and community partners to support curriculum development
 - exploring team teaching, such as pairing technical and language support teachers or pairing inexperienced and expert teachers to deliver classes, as a method both of provision and professional learning
 - expanding teaching awards, and using winners to expand the pool of mentors
 - coordinating industry placements, and co-designing other mutually beneficial professional learning opportunities in partnership with industry
 - providing leadership programs, including talent identification.

- Through the VDC, explore longer-term options for linking teacher professional development to career pathways, backed by a VET teacher capability framework and an ‘educator passport’ to record professional skills.

Recommendation 6.7 – Advocate for streamlined VET regulation, including self-accrediting status for trusted providers

The Victorian Government should:

- Advocate that Australia develop a streamlined approach to VET regulation by:
 - significantly strengthening market entry requirements for new Registered Training Organisations (RTOs)
 - developing and applying transparent categories for RTO providers based on their track record of delivering quality education and training, level of maturity, and effectiveness in meeting skills needs. Provider categories would:
 - enable the Australian Skills Quality Authority and other regulators to take a risk-based, proportionate approach to regulating VET providers, reducing the regulatory burden on mature, well-established and high-performing VET providers
 - provide quality and reputation signals to learners and employers
 - be a first step to creating a pathway to self-accreditation for Australia’s most highly regarded VET institutions.
- Advocate for integrating VET provider categories into a comprehensive framework for all tertiary education providers, thereby reducing compliance and regulatory overlap for providers delivering both VET and higher education.
- Through FutureSkills Victoria, align quality improvement strategies with intervention in cases of identified risk.

Recommendation 6.8 – Develop a continuous improvement framework and culture

The Victorian Government should:

- Through FutureSkills Victoria, develop a culture of continuous improvement and provider self-assessment by:
 - developing a Continuous Improvement Framework (CIF) for VET providers, including by validating the CIF with industry and diverse providers, and ensuring they align with FutureSkills Victoria’s system-wide monitoring
 - requiring FutureSkills Insights to create an interactive portal where providers can access their performance data across CIF indicators
 - encouraging providers to undertake self-assessment against the CIF, with a view to making it a condition of VET purchasing in the longer term.

Context for reform

This Review's Issues Paper, published in March 2020, argued that Victoria needed to build a more collaborative VET system, underpinned by a renewed commitment to quality. The Issues Paper described how complex and fragmented governance, accountability and funding systems make it hard for providers to innovate, and identified a need to strengthen public confidence in the system. It pointed to the significant progress the current Government has made in stabilising the system, refocusing on quality and restoring trust.

There is every reason to be confident that a reformed skills sector will accelerate Victoria's economic recovery in the wake of COVID-19. The sector can not only prepare Victorians to get jobs, but also fuel the creation of new industries and jobs. For all its current difficulties, Victoria has strong, long-term economic opportunities, including in the digital, clean and care economies, and in advanced manufacturing and construction. By building a skilled workforce, Victorians can seize these opportunities and power a bright future.

This opening section maps the current state of Victoria's economy, and uses cutting-edge modelling commissioned by the Review to pinpoint major shifts and opportunities within the labour market that generate imperatives for reform.

COVID-19 has intensified rising social and economic insecurity

After three decades of uninterrupted economic growth, the sudden and deep effects of COVID-19 have fundamentally disrupted the jobs and lives of Australians. Thousands of people – small business owners, retail staff, hospitality workers, flight attendants, hairdressers and countless more – have been forced to queue for unemployment benefits, in scenes not witnessed since the Great Depression.

Although the past three decades have seen Australia enjoy continuous economic growth, rising engagement with the world, and significant technological progress, cracks were appearing in our economy even before the pandemic struck:

- Since 2012, the real wages and incomes of the middle class have been stagnant, and underemployment and economic insecurity have risen. COVID-19 has exposed the vulnerability of a large, diverse and precarious working class. The futures of this group are heavily dependent on their opportunities to skill, reskill or upskill.
- Measures of economic complexity, productivity growth, innovation performance and labour mobility – indicators of underlying capability – all reveal structural deterioration over recent decades. The period coming out of crisis is an opportunity to imagine and move towards a more diverse and dynamic economy.

Despite headline prosperity, Australia has struggled to confront its entrenched disadvantage. As former Treasury Secretary Martin Parkinson said in 2019:



Our history has bequeathed a degree of entrenched disadvantage that should be seen as a disgrace in any country, but particularly one as developed as Australia ... Ideally, people should only be at the bottom of the income distribution spectrum temporarily due to life events, not whole families and communities sentenced to it for generations.⁴

Reconciling these factors requires us to embed equity principles in the design of the system and of a more dynamic economy. These principles cannot be an afterthought, nor can they merely compensate for inequities produced by a market economy. They can shape and strengthen that economy by equipping all Victorians with the future skills they will need. They include the notion of *capability* that drives contemporary understanding of skills policy:⁵ in other words, people are entitled not just to a qualification, but to the opportunity, resources and support to access it and then effectively apply it.

Victoria's skills system was already under pressure

Every day, Victoria's skills system is handed many tasks: to build a more diverse and dynamic economy, to empower a more mobile working and middle class, to tackle entrenched disadvantage, among others. These are big demands, and in recent times, Victoria's skills system has struggled to meet them.

Over the past decade, we have seen the greatest period of change in delivery of VET in Victoria's history.⁶ The behaviour of some private providers, among other issues, has challenged the quality, integrity, reputation and confidence of the system.

The Government's 2016 Skills First reforms made substantial progress in repairing the VET sector and restoring public trust. Yet the Review found that stakeholders now see the need for a larger shift. Bolder vision and clearer direction will be needed if the system is to anticipate and meet the skills mismatches that are projected over the decades ahead.

Modelling by AlphaBeta economic consultants, commissioned for this Review, suggests that without a strong policy intervention, by 2030 Victoria risks facing a skills shortage of over 500,000 workers and a surplus of close to 200,000 workers in particular occupations. Shortages will be felt in expanding occupations such as health and care, and the digital economy, with surpluses in occupations containing more routine roles.

The same modelling explored how unemployment is likely to change in the post-COVID recovery. While early analysis indicates that Victoria's unemployment rate is projected to peak at about 11 per cent at the end of 2020 before it begins to fall, employment levels usually take much longer to recover than GDP. As Figure 2 shows, the national jobs recovery from the early 1990s recession

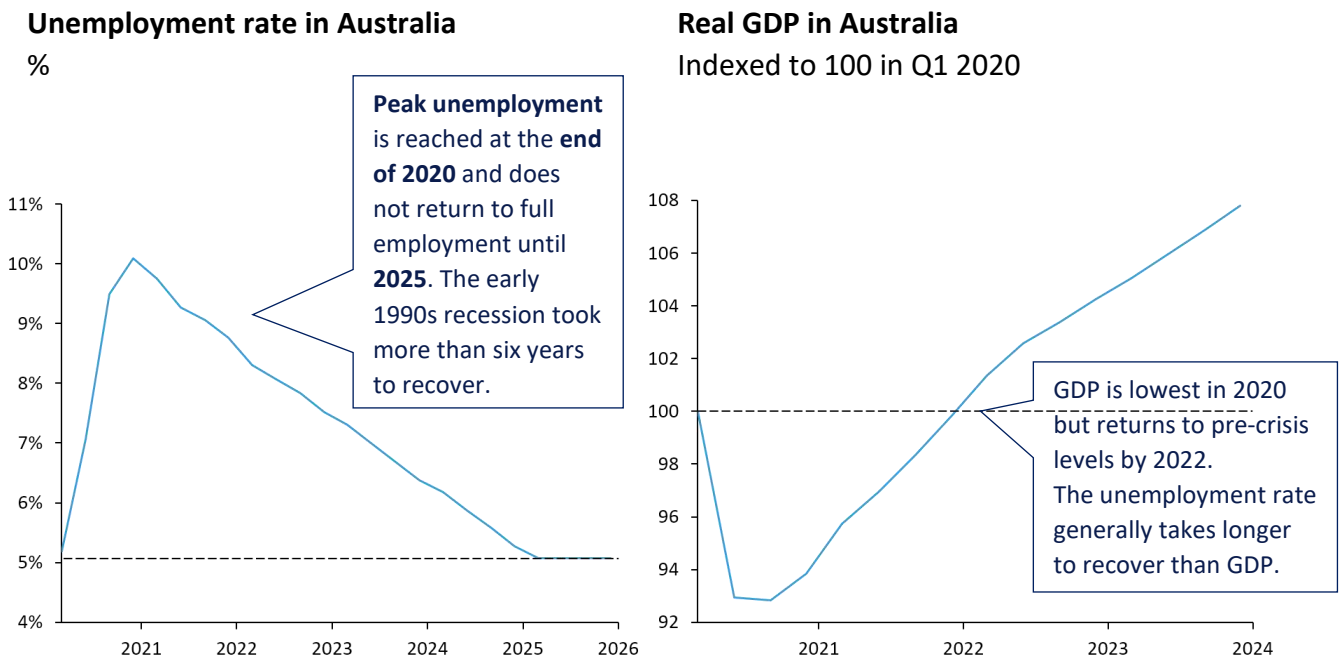
⁴ Parkinson, M., (2019) *Valedictory Speech: The past is a foreign country*, Department of Prime Minister and Cabinet. See: <https://www.pmc.gov.au/news-centre/pmc/valledictory-speech-martin-parkinson>

⁵ Wheelahan A (2011) *Rethinking Skills in Vocational Education and Training: from Competencies to Capabilities*, commissioned by the NSW Board of Vocational Education and Training (BVET). https://melbourne-cshe.unimelb.edu.au/_data/assets/pdf_file/0007/2554657/rethinking_skills.pdf

⁶ _____ (2020) *Trends in tertiary education in Victoria*, prepared for the Review by the Centre for International Research on Education Systems (CIRES), 3.

took almost six years. The national economy is not projected to return to full employment until 2025.

Figure 2: Unemployment and GDP projections⁷

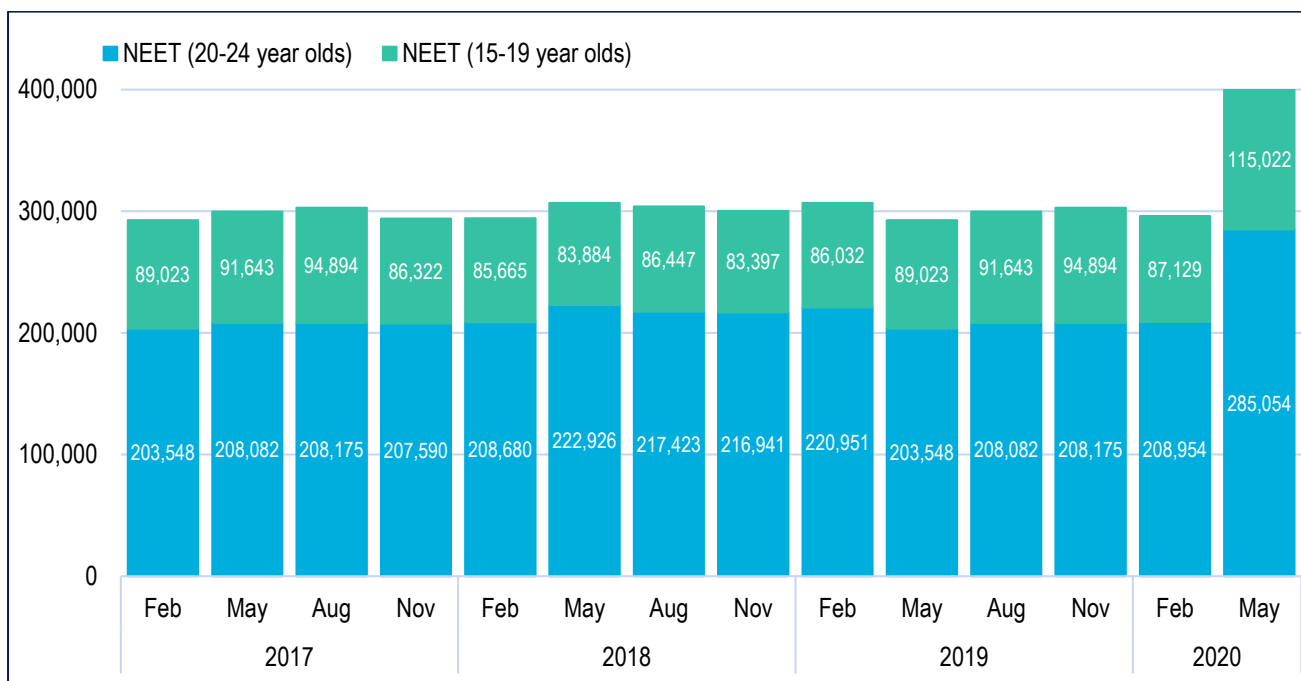


Experience suggests that in coming years these higher levels of unemployment will increase demand for post-secondary education and training. Such demand is countercyclical and tends to follow unemployment, as people who have lost jobs seek to reskill in order to prepare for new jobs. To meet the expected surge in demand, governments are expanding the number of training places available (for example, through Job Trainer). Job creation and wage subsidy programs may also moderate demand on the training system.

Nevertheless, the scale of the training challenge is expected to be significant, and its impacts uneven. Among those most at risk are young people and women. Data from the Mitchell Institute at Victoria University in Figure 3 shows the rapid rise in the number of young people not in employment, education or training (NEET) since the pandemic began.

⁷ _____ (2020) *Vic's post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.

Figure 3: Number of young people not in employment, education or training (NEET)⁸



COVID-19 has also revealed the segmentation of the labour market

The past decade has seen widening inequalities between a skilled and secure workforce, and those Victorians who are jobless, underemployed or forced to chase precarious work.

The gig economy that emerged from the Global Financial Crisis initially enabled people to use technology to promote their skills and seek out opportunities to deploy them. New digital platforms enabled consumers to access services on demand, creating new work options for many. But in a time of weak economic growth, these changes also bring challenges. They add to a casualised working class that cycles between low pay and no pay, with few opportunities to advance, and wider economic insecurity not seen in decades.

The COVID-19 pandemic has both exposed and exacerbated inequalities in the labour market. The economic slump and loss of jobs have hit the lowest skilled and least secure workers hardest. Former Fair Work Ombudsman Natalie James describes the impact of the sudden reduction in ‘demand’ caused by COVID-19 on the ‘on-demand’ workforce:

In times of economic downturn, it is ‘on-demand’ workers: casual employees and self-employed ‘independent contractors’; who feel the impact first and fast. They are the first to be ‘let go’. These workers are not entitled to ongoing work. Nor do they have leave

⁸ Data provided to the Review by the Mitchell Institute, Victoria University (October 2020).

balances to draw on. This is different from those regularised workers who employers must retain and continue to pay, even if no work is available.⁹

These are far from the only inequalities triggered by the pandemic. Many generally well-paid workers in the knowledge sectors of the economy have been able to work online from home. While this is a welcome development, workers in the care economy, health, manufacturing, warehousing and essential services have not enjoyed this option.

The James Inquiry was commissioned by the Minister for Industrial Relations. It found that the cohorts who most rely on online platforms for employment, and who also lack the leverage to negotiate for skills or security, are young workers and migrant workers.¹⁰ More than most, these groups need a skills system that enables them to benefit from the longstanding bargain with the government that other Victorians have enjoyed. This bargain promises that people who work hard and play by the rules can get ahead. The skills system works as an opportunity escalator, enabling the working class and middle class to lift their economic and social position. The system must now be reformed to ensure the escalator works for all Victorians.

Victoria has a need and a great opportunity to identify new sources of jobs growth

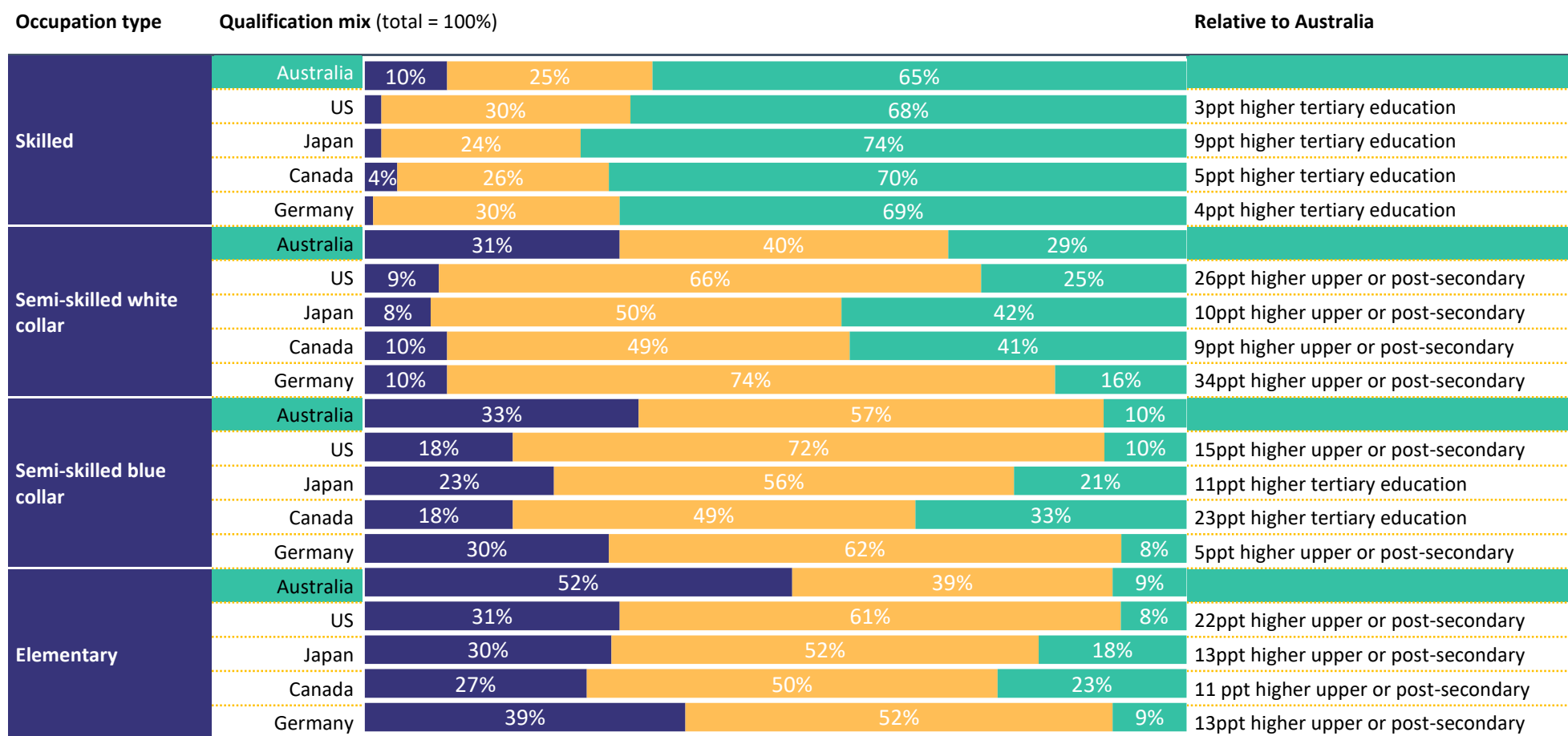
Figure 4 from AlphaBeta suggests that relative to other advanced economies, Australia lacks skills depth in occupations at each of the elementary, semi-skilled and skilled levels.

⁹ ____ (2020) *Report of the Inquiry into the Victorian On-Demand Workforce*, prepared for the Minister for Industrial Relations, Victoria. (The 'James Inquiry') https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/4915/9469/1146/Report_of_the_Inquiry_into_the_Victorian_On-Demand_Workforce-reduced_size.pdf

¹⁰ ____ (2020) *Report of the Inquiry into the Victorian On-Demand Workforce*, prepared for the Minister for Industrial Relations, Victoria. (The 'James Inquiry') https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/4915/9469/1146/Report_of_the_Inquiry_into_the_Victorian_On-Demand_Workforce-reduced_size.pdf

Figure 4: Skills depth – country comparison¹¹

Below upper secondary Upper or post-secondary, below tertiary Tertiary



Note: Below upper secondary is equivalent to below Year 12 or Cert I/II. Upper or post-secondary, below tertiary is equivalent to Year 12 completion or Cert III/IV. Tertiary is equivalent to Bachelor degree or above. Australia’s Year 12 completion rate is comparable to that of US and Canada, therefore differences in upper or post-secondary, below tertiary qualification level is mostly attributable to differences in VET. PPT refers to percentage points. Source: OECD, Census, AlphaBeta analysis.

¹¹ ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.



For decades, Australia has masked these labour market deficiencies with large-scale migration. Victoria in particular has benefited greatly from a sustained and bipartisan commitment to migration. It has attracted a large share of migrants from across Australia and around the world based on the strengths of its broad-based economy, its openness and world-leading quality of life.

As COVID-19 curbs this Victorian advantage, and as the local economy reopens but borders remain closed, large skills shortages are expected to emerge. If ever there was a time for government, business and unions to come together to anticipate future skills needs and ensure that the state has the workers to meet them, it is now.

Against this backdrop, advanced economies will continue to be reshaped by global forces: how and where we work and do business in an age of digital transformation; how we forge a broad-based commitment to a Net Zero emissions and a circular economy; how we better equip our workforce to serve and care for others; and how we resuscitate local manufacturing capability in the wake of broken global supply chains.

Embracing structural reform is one of the few tools government has at its disposal to manage these shifts. Australia has already paid a high price for failing to do so. Policy division in areas such as climate change, broadband and innovation policy have left a legacy of policy failures and compromises. Our long-neglected aged care sector has suffered in silence until COVID-19 exposed its fragilities.

These national policy divisions have led State and Territory Governments to adopt a more assertive stance in key policy areas. For example, State and Territory Governments across Australia now have policy commitments to achieve Net Zero emissions by 2050.

But Victoria, given its predicament, must now press harder than others if it is to transform skills policy to meet global, national and local challenges. Modelling undertaken for the Review suggests four major opportunities for Victoria, which are summarised below.

Digital economy: COVID-19 has accelerated the digitisation of our economy and society. Within weeks of its onset, many sectors made transitions to online work and activity that were previously expected to be years away. While the ICT sector, including its vibrant start-up community, is important in its own right, digital technologies penetrate all industries, transforming how we work, learn, innovate, and spend our leisure time.

Clean economy: The health of Victoria's economy and society depends on its capacity to take action to address climate change in key sectors such as energy, land use, transport, industry, construction and buildings management. Victoria is also working to create a circular economy to reduce waste and improve use and re-use of material and resources.

Care economy: COVID-19 has exposed low pay and often poor conditions for workers in early childhood, disability and aged care, as well as in allied health and community services. To ensure that high-quality services are delivered at an efficient cost to an ageing



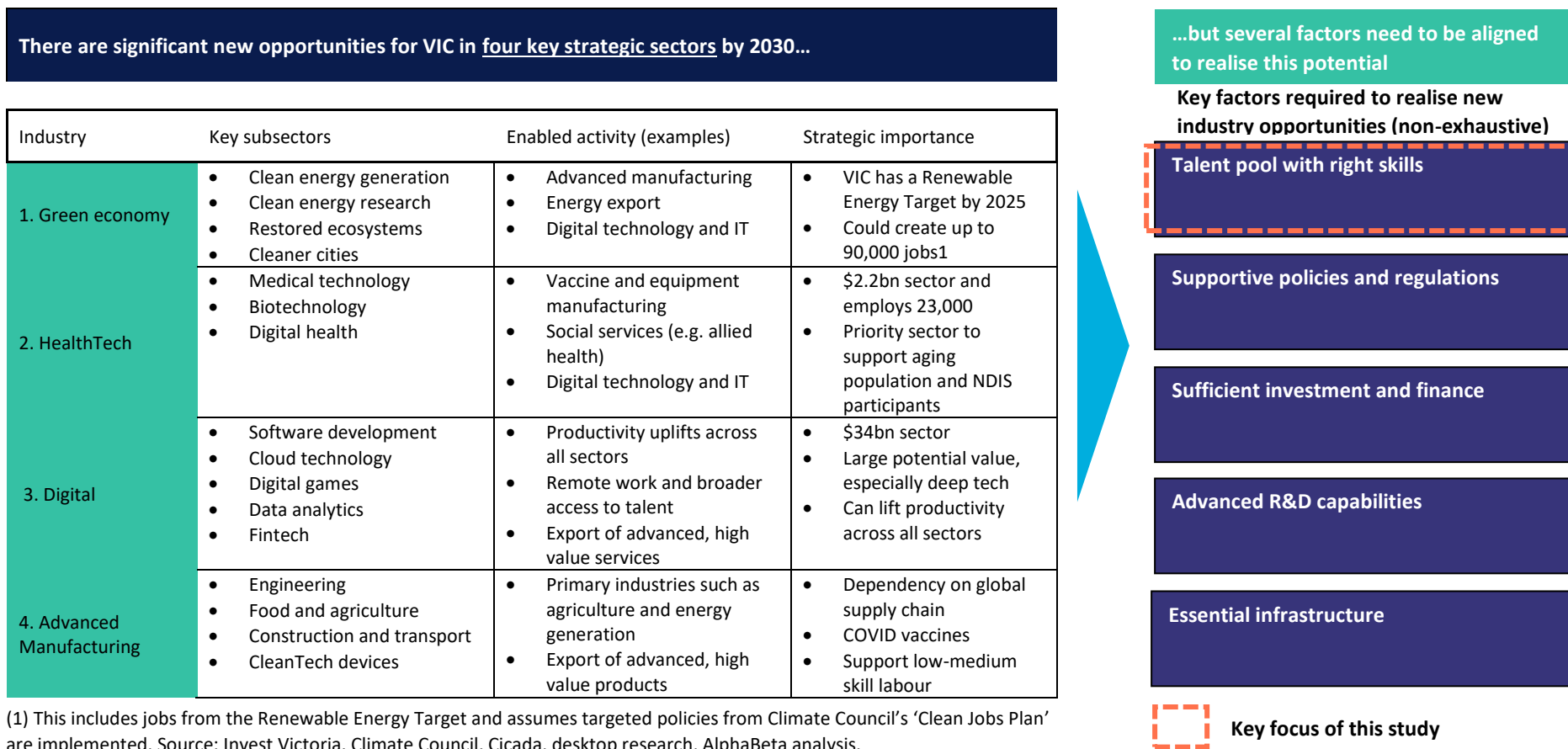
population, these services will have to focus increasingly on prevention, early intervention and coordinated care, amid other solutions to health and care challenges.

Advanced manufacturing: The pandemic has broken global supply chains and revealed the limits of ‘just in time’ production. Yet Victoria’s manufacturing base has been shrinking as a proportion of our economy for decades. Industry 4.0 and distributed manufacturing present new opportunities to turn this around. Victoria also has niche manufacturing opportunities in its very strong health and food sectors, and in downstream value-adding to its resources.

Figure 5 summarises the basis of these four opportunities.



Figure 5: Skills required in key strategic sectors¹²



(1) This includes jobs from the Renewable Energy Target and assumes targeted policies from Climate Council’s ‘Clean Jobs Plan’ are implemented. Source: Invest Victoria, Climate Council, Cicada, desktop research, AlphaBeta analysis.

AlphaBeta suggests that an active skills policy that anticipates and targets skills shortages, and is aligned with industry policy, could unlock up to 271,000 additional jobs in the four key strategic sectors highlighted in Figure 5.¹³ Of these, the digital and green economies represent major growth opportunities for Victoria, as indicated in Figure 6.

¹² ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.

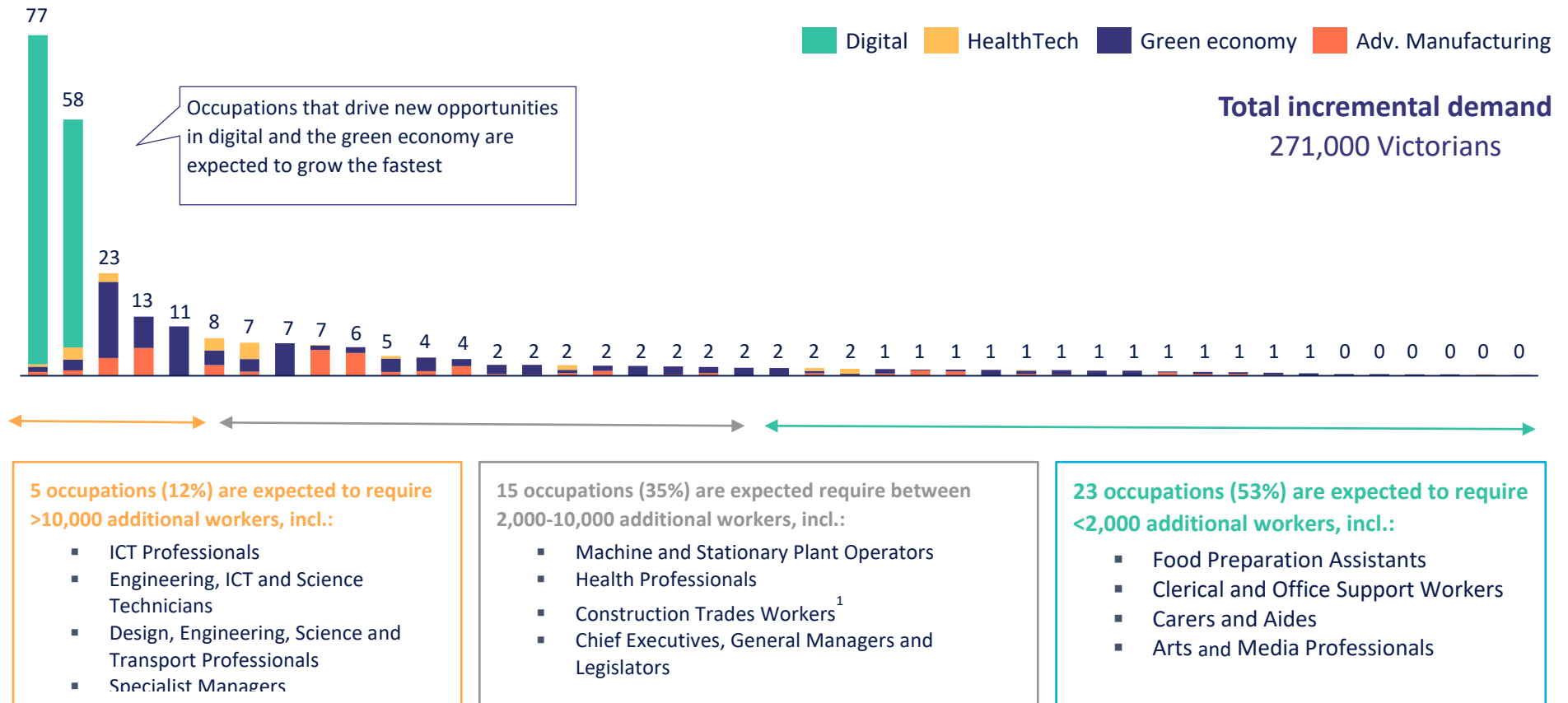
¹³ It is important to note that AlphaBeta modelling also suggests that an active skills policy that anticipates and targets skill shortages, aligned with industry policy, could support the creation of an additional 415,000 jobs in total, across all sectors of the Victorian economy, by 2030.



Figure 6: Skills required to unlock new industry opportunities¹⁴

Additional workers demanded to unlock potential of Victoria’s new industry opportunities

‘000s, Additional skills per occupation after accounting for skills needed to meet trend growth, 2030



Note: Percentages may not sum due to rounding; (1) Some occupations, such as construction trades workers, may be in surplus when only considering trend growth, however if Victoria captures these new industry opportunities, it will be able to generate new employment opportunities

Source: ABS 6202.0 - Labour Force, Australia, Apr 2020; Victoria University, Centre of Policy Studies CGE output; Deloitte CGE output; AlphaBeta analysis

¹⁴ ____ (2020) Vic’s post-secondary education and training needs – Final results, prepared for the Review by AlphaBeta.



These four opportunities are far from exhaustive. Wider economic opportunities may flow with decentralisation to suburban and regional centres as work preferences change, with the revitalisation of regional economies as food and tourism rebound, and with the rollout of the NDIS, Victoria’s Big Build, and other government stimulus measures.

The message is clear – skills deepening that is coordinated with industry policy not only meets new skills needs, it also helps to capture those industry opportunities in the first place. A global expert on growth, economist Ricardo Hausmann of Harvard University, describes how government can play a ‘smart coordinator’ role in kickstarting skills-led growth:

New activities always face this chicken-and-egg problem. A country cannot make watches if it doesn’t have watchmakers. But you don’t want to become a watchmaker in a country that doesn’t make watches. Even if you wanted to become a watchmaker, you wouldn’t have other watchmakers to learn from because nobody is making watches. This requires a government that can play a smart ‘coordinator’ role, which most governments are not set up to do.¹⁵

This change will only occur, however, when these new industry opportunities are integrated with skills policy to produce structural reform to accelerate economic, industry and jobs growth. The yellow line in Figure 7 below shows the increase in labour demand if we revert to business as usual after the pandemic. The green line shows how much more labour demand can rise if we pursue skills-based economic growth.

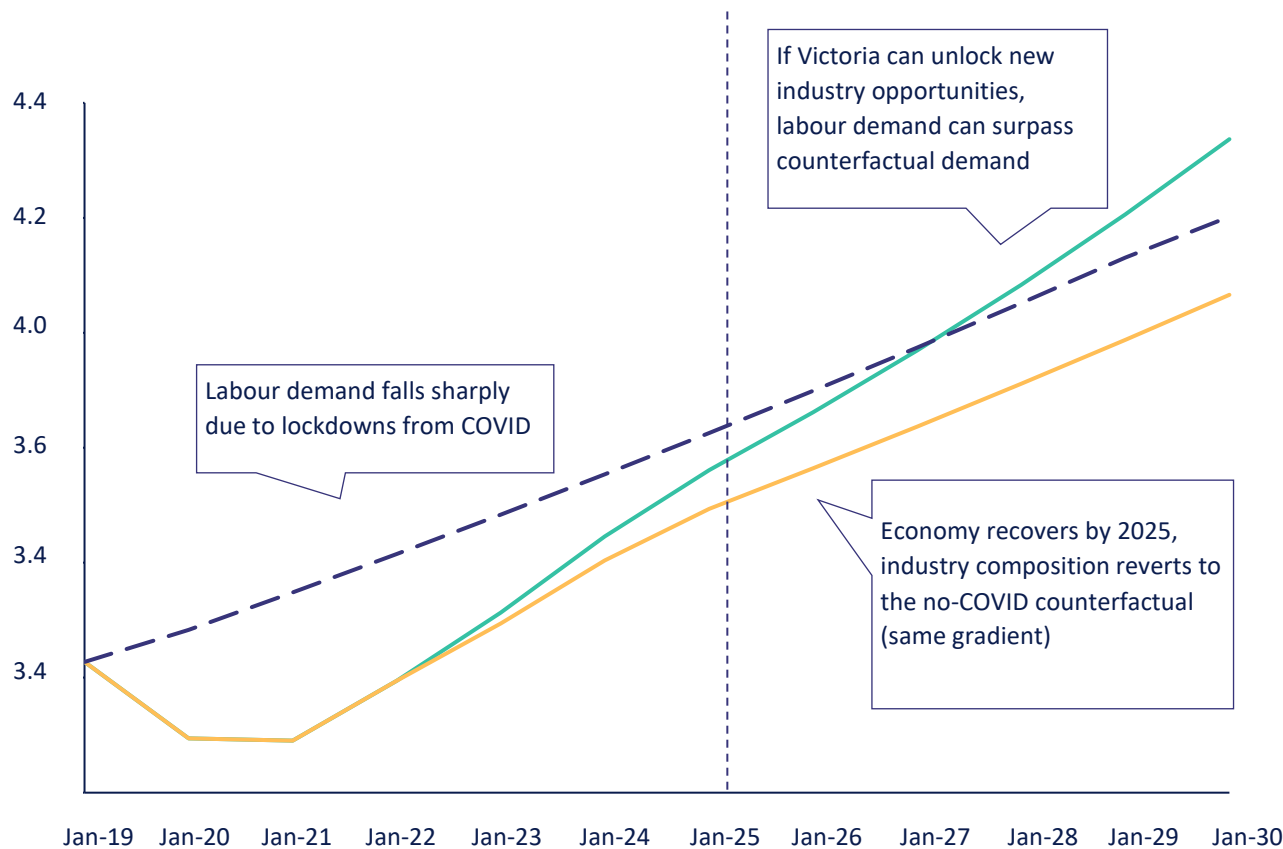
¹⁵ Hausmann, R., (2015) *What are the challenges of economic growth?*, Harvard University, Growth Lab. See: <https://growthlab.cid.harvard.edu/publications/what-are-challenges-economic-growth>

Figure 7: Projected labour demand - Victoria¹⁶

— Demand with COVID and new industry opportunities — Demand with COVID — Counterfactual demand (no COVID)¹

(1) Counterfactual demand refers to what demand could have been if COVID did not occur.

Source: ABS 6202.0 - Labour Force, Australia, Apr 2020. Table 1; Labour Market Information Portal, "2019 Employment Projections - five years to May 2024; Victoria University, Centre of Policy Studies CGE output.



- By 2023, employment in Victoria is expected to return to pre-COVID levels
- Structural change in employment from COVID shock is temporary as the economy will revert to the same structure as non-COVID counterfactual by 2025
- While unemployment remains elevated, Victorians will likely increase their demand for education and training to prepare for future opportunities
- If the post-secondary education system can support Victorians to upskill and re-skill to meet future skills needs, Victoria will be able to reach its potential level of employment

¹⁶ ____ (2020) *Vic's post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.



The changing nature of skills presents challenges for workers, learners, and the economy

A reimagined skills system needs to be built on a deeper understanding of how the economy and its skills needs are changing. It will need to map out and make visible:

- The need for Victorians to deepen their skills, building the intermediate-level and high-level skills that growth industries will need
- The skills clusters that will enable Victorians to move to adjacent job opportunities and the navigable pathways of study and work that will help them to find and adapt to new work and build strong careers
- The imperative of lifelong learning to prepare Victorians for the new uncertainties of automation and less predictable career paths.

In the past, certain types of training prepared workers for certain types of jobs. Today, increasing numbers of Australian workers and learners flow *across* traditional training and work pathways. More people are likely to be under or overqualified, and qualification creep imposes costs on the whole system. With half of its current graduates unable to find suitable work,¹⁷ VET should move from providing narrow and specific qualifications towards providing more transferable skills that prepare learners for a constantly changing economy. Figure 8 shows how young Australians move from education to work in ways that their parents and grandparents, beneficiaries of a far more stable economy and labour market, would be unlikely to recognise.

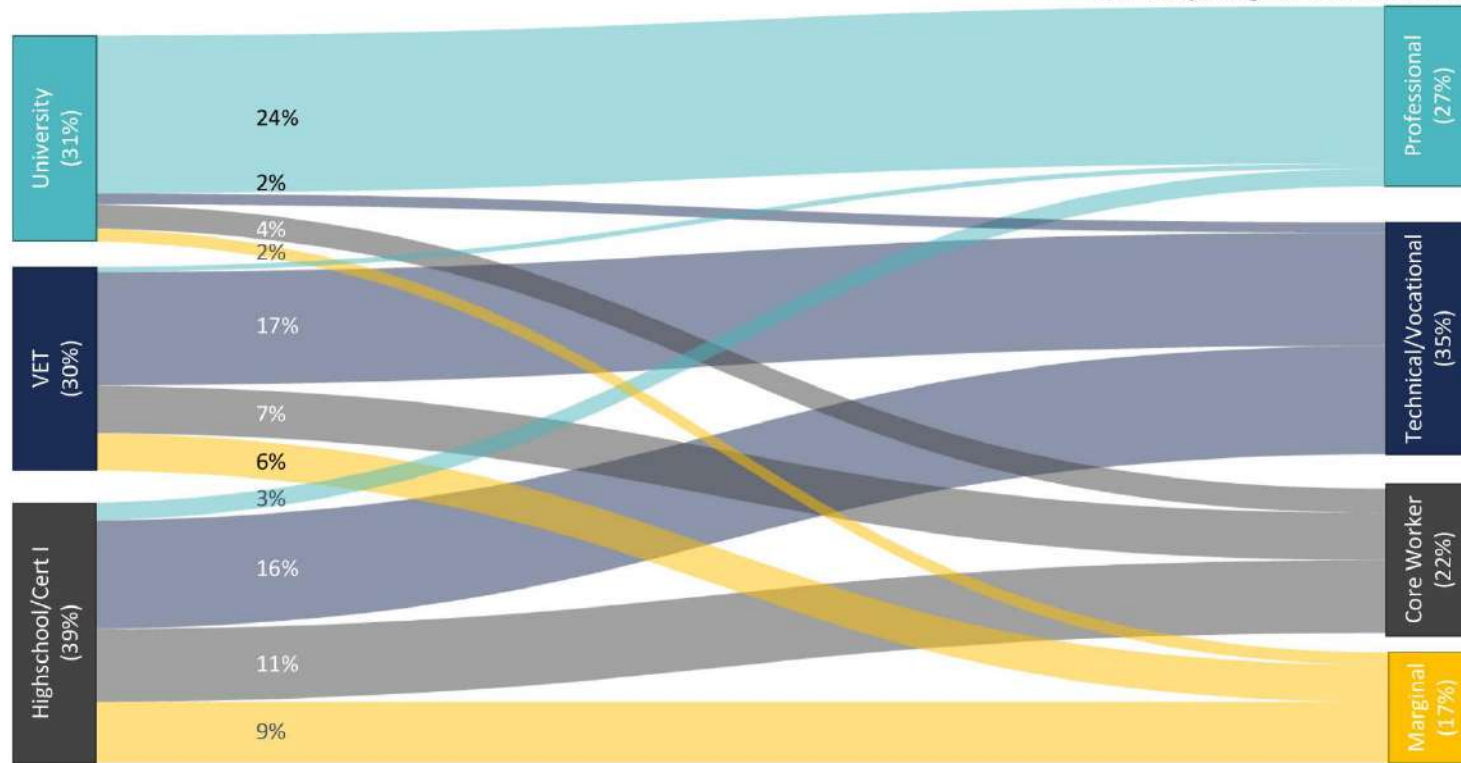
¹⁷ Ibid.

Figure 8: Flow of young people from education to work by highest level of educational attainment¹⁸

Flow of young people from education to work by highest level of educational attainment

Australians below age 25, composition and flow of entry-level workers by category

% of young people by employment outcome after completing full-time education



- Traditionally, certain types of training prepared workers for certain types of jobs, but today young Australians flow across training and work pathways
- This reduces the benefit and incentive of education, particularly for VET where almost half those with VET qualifications are unable to find appropriate technical/vocational work
- This also implies more people are under- or over-qualified for their job – but qualification-creep can be expensive for the individual, employer, and government

Note: A broad push to train lower-skilled workers would be beneficial since many jobs that demand technical/vocational qualifications are being filled with highschool/cert I qualified workers

Source: HILDA Wave 17, SkillsIQ, AlphaBeta Analysis.

¹⁸ ____ (2020) *Vic's post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.



AlphaBeta has identified seven ‘clusters of work’ in the emerging Australian economy, as Figure 9 shows. Workers in occupations within a skill cluster often use similar enterprise and technical skills, making it easier for them to transfer to another occupation within the cluster.

Making such pathways visible and broadly understood is a priority. Workers who continually upgrade their skills can move more easily within skill clusters and up the escalator of opportunity. Identifying and developing skills that have currency across clusters will broaden the job and career opportunities of Victorians. A digital learner portfolio can help to guide learners on their skills and jobs journey, while access over time to a lifelong learning account could unlock the investment needed to keep learning.

Lifelong learning: fundamental to a fairer, more dynamic economy

Linear expectations of education, training and work – assumptions of steady transitions from school to work to retirement – are long outdated. Research suggests that today’s school students can expect to work 17 jobs over five careers through their working lives,¹⁹ and that the ‘half-life of a skill has dropped from 30 years to an average of six’.²⁰ Well over 80 per cent of Australian workers expect to change jobs between now and 2040, by which time over 40 per cent of lifetime learning will occur after the age of 21, as Figure 10 shows.²¹

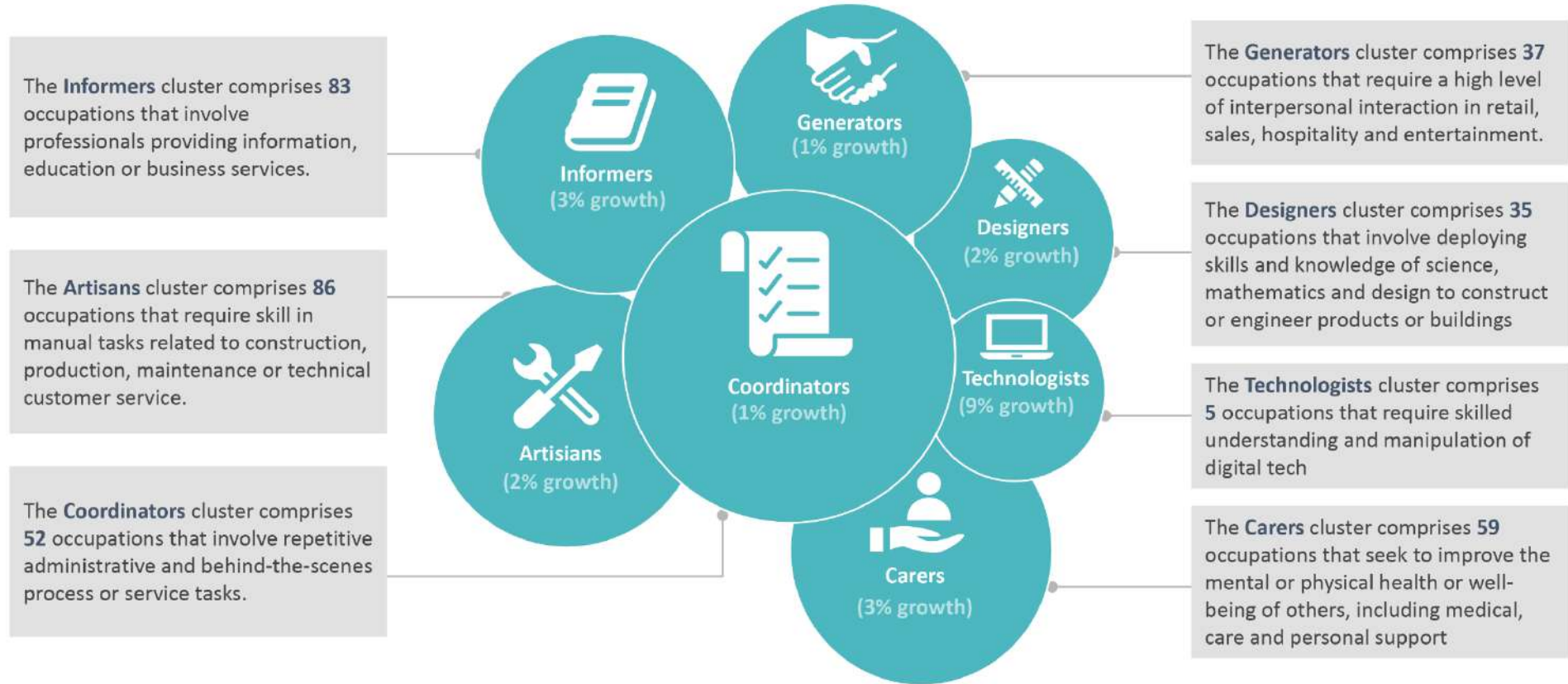
¹⁹ ____ (2017) *The New Work Smarts – Thriving in the New Work Order*, Foundation for Young Australians’ New Work Order report series in partnership with AlphaBeta, 3. https://www.fya.org.au/wp-content/uploads/2017/07/FYA_TheNewWorkSmarts_July2017.pdf

²⁰ Marr B (2019) *The 10 vital skills you will need for the future of work*, Forbes online. <https://www.forbes.com/sites/bernardmarr/2019/04/29/the-10-vital-skills-you-will-need-for-the-future-of-work/#1b4612bc3f5b>

²¹ ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.

Figure 9: Skill cluster analysis²²

There are more than 1,000 different occupations in Australia, however these jobs can be grouped into 7 “clusters of work” CAGR, 2020Q1-2030Q1, size of bubbles represents number of jobs in 2019



Note: The clusters were derived by applying a clustering algorithm that accounts for the similarity in skills required for each occupation. Methodology can be found in the appendix. For a more detailed methodology on how these clusters were constructed, please refer to methodology section of the FYA New Work Mindset report. The number of occupations described are at the 4-digit ANZSCO level. Source: Burning Glass, AlphaBeta Analysis, FYA New Work Mindset report.

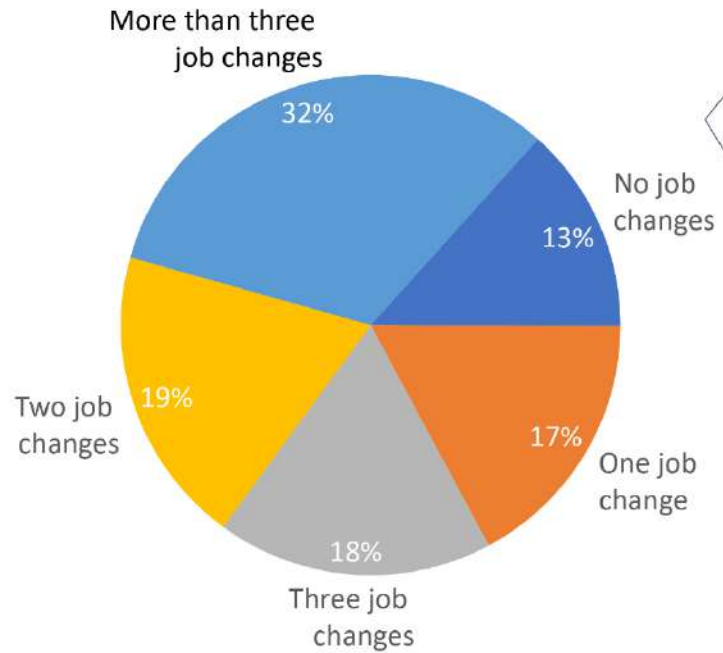
²² ____ (2020) *Vic's post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.



Figure 10: Expected skill acquisition and number of job changes by 2040²³

Expected number of job changes

Number of times Australians will change occupations, 2018-2040

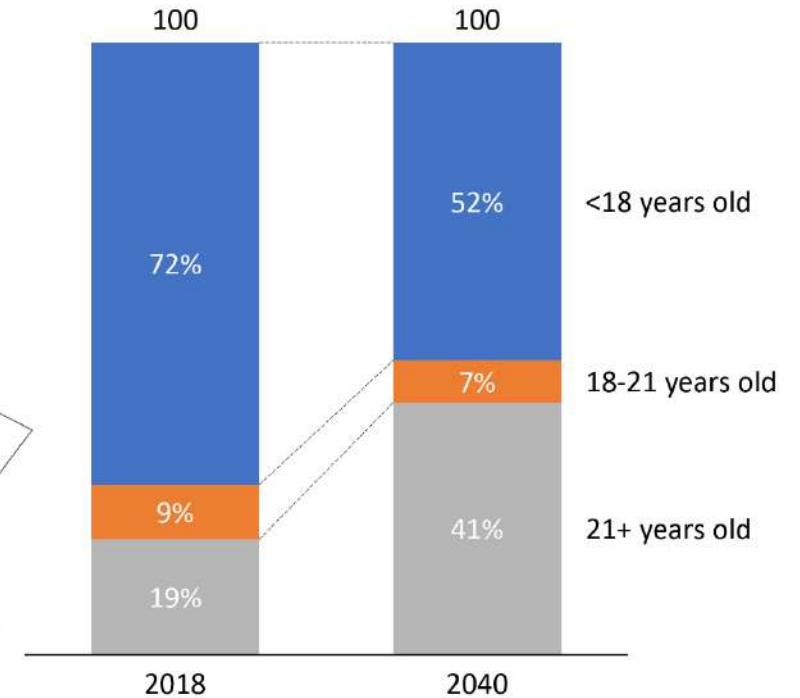


More than **80% of the workforce will likely change jobs at least once** by 2040, creating a need for re-skilling through formal or informal training

By 2040, the proportion of hours spent learning after the age of 21 will jump from **19% to 41%**

Skill acquisition by age

Proportion of each person's total time learning spent in each age group



Source: ABS, O*NET; AlphaBeta analysis.

²³ _____ (2020) *Vic's post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.



Victoria must take the opportunity to reimagine skills policy

The importance of skills policy for economic recovery and growth is clear. This analysis suggests that the skills system must:

- Prepare and assist Victorians to get jobs, but also resolve skill shortages and align with industry policy to create jobs
- Rebuild the escalator of opportunity for all Victorians, which makes the difference between unemployment and meaningful work, and between a life of persistent insecurity and a strong career
- Establish a system of lifelong learning that engages and supports Victorians through all stages of their careers.

The reforms proposed by this Review can accelerate and shape Victoria's economic recovery. Few policy shifts will be more important to the long-term wellbeing of Victorians than reinventing the skills system. This report sets out how these benefits can be achieved.



1. Shared purpose: How FutureSkills can deliver skills for jobs

Many stakeholders who spoke to this Review called for Victoria’s skills sector to embrace a new approach. Despite the progress that has been made through Skills First reforms, VET providers felt frustrated by the sector’s lack of clear objectives.²⁴ Both public and private providers, as well as industry representatives, told the Review that the sector needs greater coherence, as conflicts can arise between policy, funding and regulation.²⁵

Providers saw a need to strengthen a distinctive ‘VET brand’,²⁶ including by delineating the distinctive and complementary benefits of VET and higher education in delivering skills for Victoria’s future.²⁷ There is also scope to better recognise the contribution of the Adult, Community and Further Education (ACFE) sector to skilling Victorians.²⁸

The legacy effects of market-based reforms a decade ago were identified as a cause of enduring challenges. Despite recent progress, many submissions to the Review said that the damage caused by these reforms has not been fully reversed. The reforms have also acted as a handbrake on innovation. RMIT College of Vocational Education said:

The assumption that competition drives quality is flawed, and the regulatory response is now a burden to quality training providers. The free market approach which depleted quality has left legacy issues that now hinder innovation.²⁹

The result is a system in which providers are struggling to collaborate with each other, and with communities and industry, to develop skills in new and innovative ways. Employers and learners have difficulty navigating a VET system that is still seen as more complex and fragmented than it needs to be.

Providers,³⁰ industry,³¹ unions,³² and community organisations³³ have all urged the Review to recommend reforms that will unite stakeholders around a plan to address the serious challenges in the system.³⁴ The potential gains are huge, but getting there will not be easy. All parts of the system need to pull together behind a shared purpose. This has not occurred to date, because no

²⁴ Submission 125 VTA.

²⁵ Submission 033 Holmesglen; Submission 123 Melbourne Polytechnic; Submission 044 Independent Tertiary education Council Australia (ITECA).

²⁶ Submission 009 Box Hill Institute.

²⁷ Submission 094 University of Melbourne.

²⁸ Submission 056 ACFE Board.

²⁹ Submission 074 RMIT College of Vocational Education.

³⁰ Submission 125 Victorian TAFE Association (VTA); Submission 098 TAFE Gippsland; Submission 118 Furnishing Industry Training Advisory Group (FITAG).

³¹ Submission 082 Victorian Skills Commission (VSC) Industry Advisory Group (IAG) Transport & Logistics; Submission 064 Victorian Farmers Federation (VFF); Submission 126 Australian Institute of Refrigeration, Air Conditioning and Heating (AIRAH); Submission 083 GLAAS Inc.

³² Submission 109 Victorian Trades Hall Council (VTHC).

³³ Submission 072 Brotherhood of St Laurence (BSL).

³⁴ Submission 009 Box Hill Institute.



single entity is accountable for stewardship of the system, or for overseeing how its actors can work together to improve outcomes for students, providers, industry and the community.

The COVID-19 crisis has shown a glimpse of what can be achieved through greater collaboration. Providers have come together to keep students learning, and to help one another when expertise and resources need to be shared. Businesses, unions and communities are also collaborating to support students and training providers. A clear priority for this Review was identifying how to sustain the benefits of this collective effort.

This first chapter of the report sets out the flagship recommendation of the Review: **establishment of a new independent body, FutureSkills Victoria, to drive a collaborative, innovative, effective skills system squarely focussed on Victoria's future.** The chapter also outlines other changes that need to occur to build a more coherent post-secondary education and training system. These include strengthening the TAFE network, and improving connections between TAFE and training, ACFE and universities.

Recommendation 1.1 – Establish FutureSkills Victoria

The Victorian Government should:

- Establish FutureSkills Victoria as a purpose-led organisation that would be a leader, steward and champion of the Victorian VET system.
- Appoint a skills-based Board to lead FutureSkills Victoria that is:
 - made up of experts from across the sector, and
 - accountable to the Minister for Training and Skills for enhancing the relevance, quality and equity of the VET system.
- Authorise FutureSkills Victoria to coordinate collaboration across the VET system by:
 - understanding, planning and monitoring skills supply and demand through FutureSkills Insights
 - understanding, planning and monitoring the cost of course provision
 - commissioning and sharing innovation through the FutureSkills Innovation Fund
 - leading collaboration that meets the needs of priority industries through FutureSkills Labs
 - leading collaboration that meets the needs of students and communities through expanded Skills and Jobs Centres (SJs)
 - commissioning and sharing high-quality curriculum
 - commissioning and sharing high-quality teacher professional development, and

- setting clear expectations that providers will collaborate with other providers, industry, unions, and with government, in pursuit of their shared purpose.
- Commission advice from FutureSkills Victoria on how to build a more efficient and effective VET system, including by asking it to consider the establishment of shared services across the TAFE network.

What this involves

FutureSkills Victoria is proposed to be an independent statutory authority that brings together industry, unions, providers and communities to create a shared purpose and direction for Victoria’s skill system. It would act as steward of the system, driving and monitoring its long-term strategy and development. It would advise and support the Minister and Government to set clear and coherent priorities, expectations and parameters within which the TAFE and training sector would operate.

FutureSkills Victoria’s independence would enable it to engage freely and deeply with industry and communities about their skills needs, and with providers about their capacities to deliver them. It would provide all stakeholders – including learners – with the data and information they need to make informed decisions with confidence. Over time, it would strengthen the TAFE and training sector’s relationships and pathways with ACFE, universities and schools. It would harness system-wide expertise to tackle system-wide challenges, and work to enhance quality teaching and learning across the state.

Over the years, many public bodies have been established to improve various parts of the skills sector. The Review recognises that the proposal to establish FutureSkills Victoria must be built on strong foundations. The key to understanding how it would operate and what it would achieve does not lie in the organisation itself, but in the way that it interacts with other proposals in this report to deliver a *system change* built on evidence-based collaboration.

FutureSkills Victoria would coordinate collaborative activity across the system by:

1. **Understanding, planning and monitoring the costs of quality course provision** to inform the development and maintenance of a sustainable funding model (Chapter 3)
2. **Understanding, planning and monitoring skills supply and demand** through FutureSkills Insights: a new function to collect, analyse and share data to inform evidence-based planning at system, industry and local levels (Chapter 2)
3. **Commissioning and sharing innovation:**
 - through the FutureSkills Innovation Fund (Chapter 3)
 - in priority sectors through FutureSkills Labs for the clean, care and digital economies (Chapter 4)
 - at the local level through expanded Skills and Jobs Centres (SJs) (Chapter 5)

4. **Connecting services to meet student and community needs** through expanded SJs that connect providers to industry, and students to skills and jobs (Chapter 5).
5. **Commissioning and sharing high-quality curriculum** to increase excellence, consistency and efficiency in accredited and pre-accredited VET course delivery (Chapter 6)
6. **Commissioning and sharing high-quality teacher professional development** to build a high-quality, collaborative and sustainable VET and ACFE workforce through an expanded VET Development Centre within FutureSkills Victoria (Chapter 6).

By leading a collaborative approach in these six areas– funding, planning, innovation, support, resources, and workforce development – FutureSkills Victoria would enable the skills sector to operate as an integrated system, rather than a disparate group of providers. It would become a system the economy could depend on to deliver skills for Victoria’s future.

The hypothetical scenario below provides an example of how the system could deliver innovation, jobs and skills for Victorian communities. This scenario should not be interpreted as a description of the current system, but is used to illustrate how changes in discrete parts of the system can add up to a very different experience for those using it.

HYPOTHETICAL SCENARIO

FUTURESKILLS VICTORIA IN PRACTICE

An agricultural employer in regional Victoria wishes to apply new techniques of land management in order to grow new crops. At the same time, a nearby community has been hit hard by COVID-19. Businesses have closed, and a range of people from different backgrounds face unemployment.

A possible scenario today

The employer knows he needs skills to apply new techniques and grow new crops, but he is uncertain where to get them. He tries talking to the local TAFE, but they are busy and too concerned about viability to take a risk. The employer knows of private RTOs in the area who could deliver skills, but is not sure which ones are reputable, or whether they will share the employer's commitment to growing a more diverse workforce. Besides, he is not sure whether the right course exists to train for the new technology. Innovation is delayed and costs mount while the employer searches for a solution.

Meanwhile, people in the community whose jobs are at imminent risk spend hours searching the internet trying to decide their next steps. They know they need training but feel uncertain where to go. They trust their local TAFE to deliver a good course, but they want to be sure that it will lead to a job nearby. Their interactions with employment services have pointed them towards jobs that are immediately accessible but poorly paid, with little hope of leading to sustainable careers. They are confused by the costs of study and restricted to courses that seem affordable. Productivity is lost as they navigate dead-ends, false starts and declining confidence.

A scenario under FutureSkills Victoria

The employer knows she needs skills, and that the Skills and Jobs Centre (SJC) located at the local TAFE has a new role to connect employers with training providers. The SJC consults FutureSkills Insights to identify quality local providers, then convenes a discussion between the employer, the TAFE and a leading local RTO, as well as a Learn Local provider who has some great ideas about boosting workforce diversity. Together they create an evidence-based business case to develop a skills pathway into agriculture. The case is fast-tracked for funding through the FutureSkills Innovation Fund. FutureSkills Victoria shares the innovation with other course providers, while the VET Development Centre uses insights from it to guide other teachers in delivery of innovative skills to diverse groups of learners. These insights feed into a community of practice and become part of VET agriculture curriculum for the state.

Meanwhile, people in the community whose jobs are at risk see the opportunity on the FutureSkills Insights website. They contact the expanded SJC to work out whether the opportunity is right for them, or whether they need some foundational training to give them a pathway into an agriculture career. The training model enables them to work for the employer while they study, and employer and employees innovate together as they apply the new techniques. Because the new techniques have environmental benefits, four of the 10 new employees commence high-level apprenticeships through the Clean Economy FutureSkills Lab. Innovation and productivity, new skills and careers, all grow together.

FutureSkills governance and accountability

The FutureSkills Victoria Board would report and be accountable to the Minister for Training and Skills. The Board would draw on professional and practical expertise from among providers, industry, unions, communities and researchers. It would include a youth voice and, in the spirit of Treaty negotiations and commitment to self-determination, a Koorie representative. The Board's ideal Chair would be a prominent, forward-looking industry leader, with the requisite credibility to sustain stakeholder commitment while driving reform. To ensure effective cross-government collaboration, the Secretary of the Department of Education and Training would be on the Board of FutureSkills Victoria.

The FutureSkills Victoria Board would be accountable to the Government and the community for progress against the system goals of relevance, quality and equity – the critical components of excellence in post-secondary education and training identified by stakeholders who made submissions to this Review, examples of which are set out below:

- **Relevance to industry and community needs**

Excellence in post-secondary education is characterised by making the most of individual learners' potential in a manner that allows that potential to be best used in the economy and community. The ideal scenario is when post-secondary education meets both a labour market need and adds demonstrable value to the learner's life.³⁵

- **Quality teaching and learning**

The tertiary education system must retain quality as a cornerstone in terms of education and skills delivery across all provider types.³⁶

- **Equity in participation and outcomes**

All learners have a right to be provided with the opportunity to participate in VET and to be supported to find work. This means the needs of disadvantaged learners should (be) kept front and centre in considering policies, goals and resources for skills reform.³⁷

FutureSkills Victoria's ability to deliver on its purpose would depend on the strength of relationships that it maintained with all actors in the skills sector: from the Minister for Training and Skills and the Department of Education and Training, to the different types of providers in the post-secondary education and training system, to the industries and communities that they serve, and, above all, to the students whose aspirations must be at the heart of any plan to reinvent Victoria's

³⁵ Submission 022 AMES Australia.

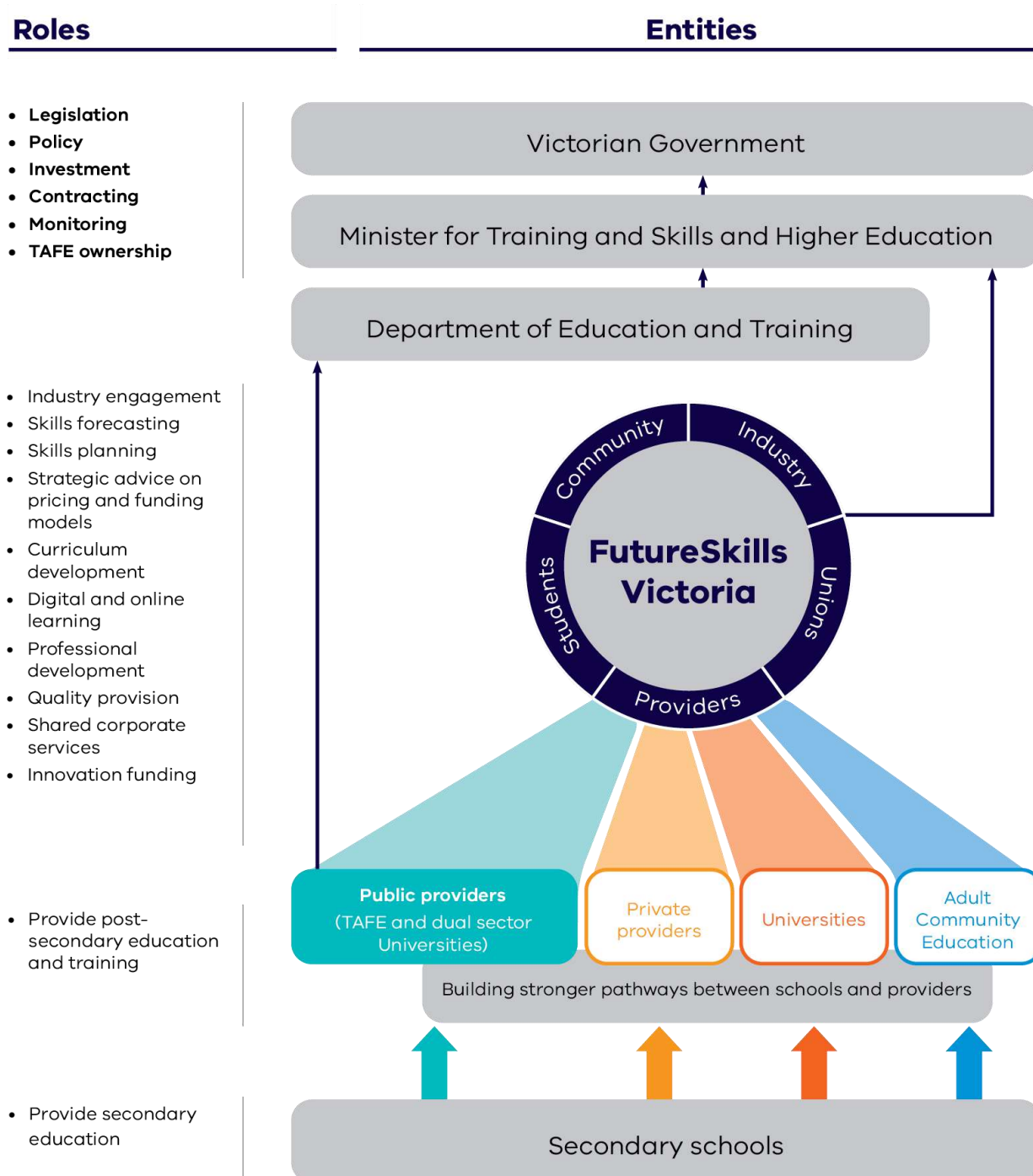
³⁶ Submission 044 ITECA.

³⁷ Submission 056 ACFE Board.



skills system. Figure 11 illustrates these relationships, along with the core functions of FutureSkills Victoria detailed in this report.

Figure 11: Roles and relationships in a skills sector led by FutureSkills Victoria



The establishment of FutureSkills Victoria would require new legislation that sets out its powers and functions. The reform directions proposed by this Review may also justify fresh consideration

of wider changes needed to the *Education and Training Reform Act*, such as changing the objectives of TAFE in the Act to align with FutureSkills Victoria’s mission of shared purpose across the system.

What we heard

The FutureSkills Victoria proposal responds to the following needs expressed to the Review:

Establish a new independent authority to drive systems change

Submissions to the Review consistently called for a more united system. Many proposed the establishment of a new body to connect, guide and motivate the system’s many disparate parts and participants.³⁸ While some stakeholders noted the value of the Victorian Skills Commission,³⁹ it was seen as not going far enough to deliver the leadership that the Victorian VET sector requires:

Valuing the role of VET and managing its importance and complexity is reason enough to propose the creation of a dedicated public authority for VET.⁴⁰

Wodonga TAFE noted that the creation of an ‘independent agency of Government led by industry and experts in adult education, research and evaluation’ would enable a more stable and evidence-informed approach to reform, sustained over electoral cycles.⁴¹

Independence from the interests of any single provider group was seen as critical to such an organisation fulfilling its role as a sector leader:

Acceptance amongst all stakeholders on the value of a centralised administrator would only be granted if the administrator was viewed as a neutral entity, and not linked or influenced by any one benefactor of the services.⁴²

The ACFE Board noted the benefits that an independent entity has provided for ACFE, and suggested that the broader VET system could benefit from a similar model.⁴³ The Review strongly agrees that FutureSkills Victoria’s independence and remit to work across the entire skills sector will be critical to its ability to drive collaboration and lead system change.

³⁸ Submission 105 Ai Group; Submission 033 Holmesglen Institute; Submission 020 Bendigo Kangan Institute (BKI); Submission 073 Wodonga TAFE; Submission 047 Professor Hal Swerissen.

³⁹ Submission 118 Furnishing Industry Training Advisory Group (FITAG).

⁴⁰ Submission 125 VTA.

⁴¹ Submission 073 Wodonga TAFE.

⁴² Submission 070 Apprenticeship Employment Network (AEN).

⁴³ Submission 056 ACFE Board.

Balance strong leadership with autonomy for stakeholders within the system

In consultations on the proposal for a new lead organisation, many stakeholders responded with questions about governance. These questions reflect an understandable concern about where power would lie and how it would be exercised. While FutureSkills Victoria would strengthen system leadership, it is equally important that stakeholders collaborate in new ways to re-design the system around shared interests and goals.

The governance model for FutureSkills Victoria would be *adaptive*: that is, a strong central leader would bring autonomous organisations and groups together as needed, around shared concerns and mutual interests. The STEPS Centre identifies three stages in transitioning towards this more networked and adaptive model of governance:

- A shared view that the system is ‘in trouble’ and that old ways need to change
- Parts of the system starting to work together in new ways, ideally championed by a system leader that sets goals that will require stakeholder collaboration to deliver
- Embedding the new ways of working together to become ‘business as usual’ and applying them to the new projects and problems that the system faces together.⁴⁴

Such an approach is essential to give all stakeholders a sense of power, responsibility and accountability within the skills system.

The Victorian TAFE Association (VTA) saw the involvement of TAFE CEOs in policy development as essential to this approach:

VET policy developments are often rapid and focused on the short term. TAFE CEOs and their dual sector counterparts have the contextual knowledge of the system and how it actually works. Co-creating policy with them enhances the likelihood of successful policy implementation and greater overall benefits to students and the Victorian community.⁴⁵

A common theme in submissions was that industry groups and unions should also play a key role in skills sector governance, beyond their current advisory roles. The VTA suggested that industry should engage the sector both through the Victorian Skills Commissioner and *directly* with providers, so they can tackle issues and opportunities together.⁴⁶ The focus of FutureSkills Victoria on strengthening collaboration throughout the sector would help to achieve this objective.

Other submissions emphasised the importance of connecting industry and providers to community groups.⁴⁷ The Ethnic Communities Council of Victoria cited the Victorian Wurreker Strategy for Koorie students as an example of system policy, developed with community consultation, that

⁴⁴ Ty, J., Leach, M., Bloom, G., Ely, A., Nightingale, P., Scoones, I., Sha, E., Smith, A., (2007) *Understanding Governance: Pathways to Sustainability*. STEPS Working Paper 2, Brighton: STEPS Centre. See:

www.researchgate.net/publication/284714782_Understanding_Governance_Pathways_to_Sustainability

⁴⁵ Submission 125 VTA.

⁴⁶ Ibid.

⁴⁷ Submission 099 Victorian Council of Social Service (VCOSS).

could serve as a model for genuine engagement with other diverse communities.⁴⁸ The Foundation for Young Australians noted that young people – who depend on the skills sector to shape their careers – should have a voice in co-designing skills policy.⁴⁹

All these contributions revealed an appetite in the skills sector for bold thinking and clear direction. Many submissions called for a fundamental shift to place community needs at the centre of decision-making:

What is suggested is a reduction in prescription by central agencies, VET quality gatekeepers and others, and greater opportunity for community and localised decision making to address the connected issues of youth education, training, employment, lifelong learning, and welfare outcomes.⁵⁰

Stakeholders also called for better connections between state and national skills initiatives, especially those that affect industries with national reach.

Hold providers and the system accountable for shared goals

Victoria has a proud history of building public systems that deliver efficient, high quality and locally responsive services and solutions. This tradition rejects centralised and one-size-fits-all policy approaches in favour of valuing a diversity of capable people and organisations that can innovate in their particular contexts, while remaining connected by shared goals.

UK economist Mariana Mazzucato calls this approach ‘mission-led’ or ‘purpose-led’ innovation.⁵¹ It often requires institutions to be designed around a shared purpose, and to carry the responsibility for achieving it on behalf of the whole system.⁵² These organisations rely not only on governments but on all system stakeholders to be the ears, eyes and voices of the system. They articulate shared directions, pursue them in an integrated rather than siloed way, and monitor them together, valuing the collaboration as a source of both effectiveness (getting better outcomes) and legitimacy (building more trust).⁵³ FutureSkills Victoria would be the custodian of the sector’s shared purpose, sustaining its vision through both short-term crisis response and long-term contribution to economic growth.⁵⁴

Melbourne Polytechnic saw such a shared purpose as critical to skills sector reform:

⁴⁸ Submission 057 ethnic Communities Council of Victoria (ECCV).

⁴⁹ Submission 113 Foundation for Young Australians (FYA).

⁵⁰ Submission 003 John Fischer.

⁵¹ Mazzucato M (2018) *Mission Oriented Innovation – reframing the direction of economic growth*, OECD Seminar: New Approaches to Economic Challenges. https://www.oecd.org/naec/NAEC_Mazzucato.pdf

⁵² Glover R and Noveck B (2019) *To restore trust in government, we need to reinvent how the public service works*, The Conversation online. <https://theconversation.com/to-restore-trust-in-government-we-need-to-reinvent-how-the-public-service-works-121634>

⁵³ Schot J and Steinmueller WE (2018) *Three frames for innovation policy: R&D, Systems of innovation and Transformative change*, Science Policy Research Unit, University of Sussex UK.

<https://www.sciencedirect.com/science/article/pii/S0048733318301987?via%3Dihub>; Kuhlmann S and Rip A (2018) *Next Generation Innovation Policy and Grand Challenges*, Science and public policy 45(4): 448-454. <https://doi.org/10.1093/scipol/scy011>

⁵⁴ Submission 125 VTA.



To be able to agree on the most appropriate system design, the Victorian Government as the system manager would need to clearly articulate the purpose of the vocational training system and outcomes to be achieved.⁵⁵

Under the collaborative system model established by FutureSkills Victoria, individual providers would also be accountable for the skills sector's shared purpose. Public sector researchers Janine O'Flynn and Gary Sturgess distinguish between *strategic commissioning*, which is 'system-wide and focused on longer-term considerations'; and *tactical commissioning*, which focuses on 'individual actors and/or short-term processes'.⁵⁶ FutureSkills Victoria would move providers closer to a strategic focus in their contracts with DET.

In submissions, stakeholders readily recognised the need for accountability for public funding,⁵⁷ but suggested that contracts should be oriented towards quality and outcomes rather than compliance.⁵⁸ Performance monitoring for providers should also recognise how fee-for-service delivery contributes to FutureSkills Victoria outcomes, building on existing accountabilities in Skills First contracts that align well with the proposed FutureSkills Victoria mission. The system should reward institutions that orient their activities – including those resourced through private investment – to supporting the sector's purpose.

⁵⁵ Submission 123 Melbourne Polytechnic.

⁵⁶ O'Flynn J and Sturgess GL (2019) *2030 and beyond: getting the work of government done*, an ANZSOG research paper for the Australian Public Service Review Panel. <https://www.apsreview.gov.au/sites/default/files/resources/2030-beyond-getting-business-government-done.pdf>

⁵⁷ Submission 123 Melbourne Polytechnic; Submission 010 Oxygen College; Submission 057 ECCV.

⁵⁸ Submission 123 Melbourne Polytechnic.



REFORM INSIGHTS

THE NEW ZEALAND INSTITUTE FOR SKILLS AND TECHNOLOGY

Many reforms proposed in this report share important features with recent VET reforms in New Zealand. These include establishing centres of excellence in priority sectors (similar to the FutureSkills Labs proposed in Chapter 4); commissioning expert educators to develop advanced curriculum for the system (similar to the model in Chapter 6); and consolidating online interfaces into one platform and learning management system (similar to reforms proposed in Chapters 2 and 4).

In April 2020, New Zealand also established a new organisation to lead its VET sector, the New Zealand Institute of Skills and Technology (NZIST). The NZIST has a mission to:

- give all learners the education and training they need for the workplace;
- give employers greater access to a skilled, work-ready workforce across all regions; and
- ensure all regions have collaborative, flexible, innovative and sustainable providers.

The New Zealand changes go further than those proposed for Victoria, since they also merged public training providers. This Review recognises the diversity among Victoria's education and training providers and does not recommend a 'one-TAFE' model. However, the New Zealand example shows the benefits of strong central leadership around a shared purpose. FutureSkills Victoria will lead a collaborative system to meet student, industry and community needs.

Recommendation 1.2 – Support a quality TAFE network

The Victorian Government should:

- Through FutureSkills Victoria, support a clear anchor role for the TAFE network within a collaborative, diverse skills sector, including as a leader in Future Skills Labs and the development of shared curriculum, and as a critical partner in Skills and Jobs Centres.
- Through FutureSkills Victoria, work with TAFEs and the Victorian TAFE Association to gradually develop and implement shared corporate services that are now delivered separately by each TAFE Institute.
- Maintain diversity within the Victorian TAFE network, and ensure they have greater autonomy to deliver on their sector leadership role by reviewing Commercial Guidelines and other policies.
- Support and promote a TAFE network that becomes the quality benchmark for the entire VET system.

What this involves

FutureSkills Victoria would reaffirm and strengthen the public mission of TAFE, a central part of Victoria's social and economic fabric. At the same time, it would recognise that Victoria benefits from a strong, capable and diverse VET system in which public, private and not-for-profit providers



all play an important role. Defining the role of TAFE should not be undertaken in isolation, but in the context of what all providers offer, including ACEF providers and universities.

This report recommends positioning the TAFE network as a system ‘anchor’ in collaborative initiatives with other providers. TAFEs would:

- In the proposal for FutureSkills Labs (see 4.1), lead coalitions of providers to deliver skills and innovation for priority sectors of the economy
- In the proposal for expanded Skills and Jobs Centres (see 5.1), play a lead role in collaboration with industry, communities and providers to drive local innovation
- In the proposal for shared curriculum (see 6.1), lead teams of providers to develop and share quality curriculum, including assessment, across the sector.

These reforms would clarify and strengthen the role of TAFEs in the system, while enabling them to benefit from the learning that occurs in public and private sector collaborations. They would address the need to strengthen connections between TAFE and industry, while also ensuring that community service and collaboration roles are recognised in funding models. Most importantly, they would place TAFEs at the centre of the FutureSkills Victoria agenda for system transformation, without excluding what other providers have to offer.

This more collaborative approach would recognise that TAFE ownership rests with the Victorian Government, which also directly administers and oversees Skills First contracts. FutureSkills Victoria would not assume this function.

An early priority of FutureSkills Victoria would be to partner with TAFEs in driving measures to improve the quality and capability of the TAFE network. Namely, it would help to co-design solutions for pooled or system-level delivery of a number of corporate functions, such as finance, human resources and IT services, that at present sit with individual institutes. This proposal has the potential to create a more efficient system at lower cost. It would also free up provider resources to focus on teaching and creating innovation. FutureSkills Victoria would also collaborate with leading TAFEs to establish the FutureSkills Labs, and to pursue opportunities to share curriculum and improve professional development.

Preserving the diversity of the Victorian TAFE network is essential. The Review does not support consolidation of established TAFEs into a generic ‘One TAFE’ brand. There is nothing inherently wrong with smaller TAFEs providing services tailored to their smaller economies, while larger TAFEs offer a more comprehensive training menu. While concepts such as a minimum efficient scale are worthy of debate, responsiveness to local communities and industry is also important.

The Review has not formed a view of an optimal structure for the TAFE system, except to propose a more networked system that would overcome sector fragmentation and realise efficiencies while preserving the dynamism and diversity that have enabled TAFEs to respond effectively to COVID-19. The anchor role that this Review proposes for TAFEs would support significant strategic autonomy and distinctive local identities. It would also encourage government and regulators to think beyond compliance, and work in partnership with TAFEs to drive innovation and excellence.



What we heard

TAFEs still feel the effects of having had to compete in an open market against low-cost and low-quality private providers. Several providers agreed with RMIT's view that the legacy of VET quality scandals 'still weighs negatively on the brand of TAFEs as a whole'.⁵⁹ Providers made the case for stronger alignment of funding, provision planning, continuation of low-enrolment courses, and campus and capital asset management.

Despite the challenges they face, TAFEs remain part of the lifeblood of Victorian communities, and critical to the success of their businesses and the lives of their learners. Submissions identified the following opportunities for FutureSkills Victoria to leverage TAFE's distinctive status and role:

Establish a clear role for TAFE and collective accountability towards a shared mission

The Review believes that it is critical to banish the view, still held by some, that TAFE is only about second chances and second choices. TAFEs still enjoy a strong reputation in many Victorian communities, especially in regions, which hold their public service role in high esteem. This trust needs to be backed by the development of capability to deliver excellence for all students, and a clear role in the system for doing so.

While Skills First reforms have provided some direction about what TAFEs are expected to deliver, submissions to the Review indicated that the role of a government-owned entity in a competitive market environment is not clear.⁶⁰ Wodonga TAFE supported the need for 'clarity of vision' for TAFE. The Victorian Trades Hall Council argued for the TAFE system to be 'overhauled', in order to reinstate it as a 'pillar of working people's equality in Victoria'.⁶¹

On the one hand, TAFEs have important minimum community service requirements, whilst being asked to operate effectively like private enterprises. The Review heard complaints that TAFEs had become too competitive, taking on the 'trappings of corporations'⁶² and encroaching aggressively on each other's markets. Yet often their community service obligations make it impossible to hold their own against private competitors, who can 'cherry pick' profitable courses.⁶³ The tension between commercial viability and community service squeezes investment in vital TAFE services, such as student support (see 5.1 and 5.3).

Among many other functions, TAFEs have been asked to:

- a. act as community provider of a diverse range of courses across Victoria
- b. operate centres of excellence
- c. skill workforces in six priority growth industry sectors
- d. support disadvantaged and second chance learners

⁵⁹ Submission 074 RMIT College of Vocational Education.

⁶⁰ Submission 033 Holmesglen Institute.

⁶¹ Submission 109 VTHC.

⁶² Teacher Survey response (2020).

⁶³ Submission 098 TAFE Gippsland; Submission 123 Melbourne Polytechnic; Submission 106 GOTAFE; Submission 079 South West TAFE.



- e. provide training underpinning the roll-out of the NDIS, family violence initiatives, and government major infrastructure projects
- f. roll out the Government’s Free TAFE initiative
- g. pursue fee for service initiatives, including international education and training both onshore and offshore.⁶⁴

Since many of these activities are not commercially viable, the financial sustainability of TAFEs is an ongoing concern.

Community service, and the requirement to deliver training in thin markets, were two commonly identified elements of TAFEs’ distinctive role. The VTA goes further:

While these things (community service and thin markets) are very important, the public value of TAFE does not stop there. Testament to its public value should be attributed to its educative purpose; the diversity of its clients; the breadth and depth of the course offerings; the geographic delivery; and the quality of the staff, including the excellence that comes from a combination of pedagogical training, industry expertise, and industry experience.⁶⁵

Ensure an ongoing role for the best private providers alongside a strong TAFE network

Many not-for-profit providers offer excellent opportunities to diverse clients and many non-TAFE RTOs rate highly on measures of industry engagement. These realities confirm the need to articulate the role of TAFEs within the system, alongside the roles of other types of providers.

The Review believes the solution lies in the collaborative system design that FutureSkills Victoria would create and lead. If a high-performing TAFE network became the ‘anchor’ and quality benchmark for the VET system, as these reforms envisage, the best private and not-for-profit providers would be encouraged to build on and improve this base:

There is no reason why TAFE institutions could not become the repositories for excellence in vocational education practice on behalf of all education institutions.⁶⁶

With TAFEs at the centre of system-wide collaborative initiatives, other RTOs could continue to develop and deliver high-quality solutions for particular industries, communities and cohorts. The Review sees a significant ongoing role for these other providers.

⁶⁴ Consultation with TAFE leaders (June 2020).

⁶⁵ Submission 125 VTA.

⁶⁶ Jones A (2018) *Vocational education for the twenty-first century*, Melbourne Centre for the Study of Higher Education, University of Melbourne. https://melbourne-cshe.unimelb.edu.au/data/assets/pdf_file/0011/2845775/Final-Anne-Jones-paper1.pdf

Establish services and functions to drive quality and efficiency

The Review heard that many TAFEs support the centralised development or procurement of services that are not seen as distinctive to their institutional brand. Bendigo Kangan Institute argued:

Significant efficiencies could be matured through the progressive adoption of common ICT based learning platforms and systems in relation to digital training delivery, student enrolment and management, as well as finance and human resource management systems.⁶⁷

Yet views about how to achieve this change differed. TAFE Gippsland opposed sharing administrative services because it believed the change would reduce local employment opportunities without achieving significant savings. Melbourne Polytechnic noted the ‘very different starting positions’ of TAFEs on matters such as IT and advocated for a ‘preferred provider’ rather than a shared services model. Box Hill TAFE, on the other hand, found that the requirement to use Government preferred providers had generated significant inefficiencies in the past.⁶⁸

While the opportunity for efficiency is clear, the path to get there is less so. Several TAFEs suggested a gradual, consultative approach to any shared service or procurement model, taking into account the different lead times required for providers of different sizes. South West TAFE canvassed the need for ‘a centralised organisation’ to lead the change.⁶⁹ One of FutureSkills Victoria’s first tasks would be to examine opportunities to introduce shared services.

In some states, drives towards efficiency have resulted in TAFE consolidation. William Angliss Institute argued against such approaches in Victoria, and to preserve TAFE diversity as well as their unity of purpose:

Victoria’s TAFE Network will benefit from a longer-term vision that seeks to build on our current strengths and commitment to quality as well as leverage our diversity and the entrepreneurial benefits that come through a devolved system. Importantly this review must advocate for a system where there is parity for all post-secondary accredited educational options and pathways.⁷⁰

While TAFEs are eager for collaborative solutions that reduce duplication of effort and implement best practice, most are also keen to retain their distinctive identities within a diverse network. The Review heard some suggestions for consolidating TAFEs, or for targeted mergers, as a strategy for improving financial sustainability. In considering these proposals, the Review was guided by the experience of other states:

⁶⁷ Submission 020 BKI.

⁶⁸ Submission 009 Box Hill Institute.

⁶⁹ Submission 079 South West TAFE.

⁷⁰ Submission 048 William Angliss Institute (WAI).

It has been suggested that there is a need to rationalise TAFEs across the metropolitan area and in the regions. However, structural reform alone will not make the sector sustainable. As Queensland and New South Wales can attest to, reducing the number of TAFEs does not necessarily improve financial viability.⁷¹

The VTA – as well as a number of its members – provided substantial evidence that TAFE ‘autonomy’ is constrained by regulation:

An independent review of the Commercial Guidelines for TAFE should be undertaken to provide TAFE Boards with more autonomy to make business decisions and respond quickly and effectively to local community and industry needs. Less red tape and more autonomy will free the TAFE network to deliver high-quality VET for industries and communities more efficiently and cost-effectively on behalf of the Victorian Government.⁷²

A relaxation of TAFE regulation, and a focus on outcomes over compliance, would be desirable even without any change to TAFEs’ role. If TAFEs are to assume the system leadership role envisaged by this Review, then reforms that ensure their autonomy will be essential.

⁷¹ Submission 033 Holmesglen.

⁷² Submission 125 VTA.

CASE STUDY

VICTORIA'S WATER AUTHORITIES

The Victorian water sector is one of the most efficient and innovative in the world. Its regional water authorities work together effectively and are highly responsive to user, community and system needs. Two features of water reform offer insights into how new policy approaches can shape provider behaviour and culture.

Firstly, a shift in regulatory focus from compliance to facilitation has seen Victoria's water authorities enjoy greater strategic autonomy. This has enabled providers to focus less on second-guessing the regulator and investing heavily in compliance, and more on a quality-focused conversation about how to innovate to meet the needs of users.

Secondly, water authorities have an unusual legislated opportunity to propose and, through higher regulated prices, to be funded for projects that are demonstrably in the public interest. Authorities are thereby able to consider a wide range of co-benefits for the citizens and communities they serve, beyond those relating to direct engagement with users. This opportunity to partner with other stakeholders to deliver public value has delivered significant innovation.

Recommendation 1.3 – Strengthen connections between TAFE and training, higher education and ACFE

FutureSkills Victoria should:

- Strengthen partnerships between TAFE and training, higher education and ACFE providers to unblock the flow of students through these sectors and enable the post-secondary sector to respond with more agility to the economy's needs by:
 - brokering further collaboration and pathways between VET and higher education providers, beginning with industry-specific pathways developed by FutureSkills Labs in priority sectors of the economy
 - working with the ACFE Board to formalise proposals for closer relationships between ACFE and TAFE.

What this involves

Over time, FutureSkills Victoria would work to strengthen partnerships between VET, higher education and ACFE providers in order to establish an education and training system that serves Victorians at all stages of their lives. The relationships between VET, higher education and the community training sector are not simple. Universities and ACFE simultaneously compete with and complement VET. There is increasing overlap between what the sectors offer and increasing numbers of pathways between them.

The reform directions of this Review are designed to strengthen these relationships and to encourage greater alignment at a national level. Yet this Review stops short of recommending a



move to a fully integrated national adult learning system. That would require extensive negotiations between Commonwealth and State Governments to recalibrate roles, and it is not at all clear that governments agree on the role of public providers, or on the extent to which market mechanisms should drive the system.

Until such time as that discussion becomes possible, governments should focus on how they can expand learners' options and minimise distortions to their choices. The dual sector universities will have good insights in this regard. The closer relationship between the Victorian Government and universities that has emerged following COVID-19 provides one model. The Review also supports current efforts to strengthen relationships between TAFE and ACFE. The establishment of FutureSkills Victoria and expanded Skills and Jobs Centres (see 5.1) would support this relationship at the system and regional levels respectively.

What we heard

Many submissions expressed frustration with the policy incoherence between higher education and VET. Holmesglen Institute noted that:

Current structures and policy settings fail to provide a unified vision for post-secondary education and consistent ways of structuring the system to deliver that vision. They continue to delineate between VET and higher education in relation to curriculum, regulation, funding and quality standards.⁷³

Wodonga TAFE added that all 'three pillars of adult education' (ACFE, TAFE and training, and university) often compete for the same enrolments, and called for a closer relationship between ACFE and TAFE.⁷⁴ The Business Council of Australia saw a need for better articulation of the distinctive value of VET and universities, with a respective focus on VET's 'applied learning' and industry links, and universities' 'learning for the sake of learning' and research (many institutions of both kinds cross these boundaries.)⁷⁵

Box Hill TAFE called for 'greater integration of post-secondary education arrangements... along the lines of the Monash Commission 2018's key recommendations'.⁷⁶ These were:

- A new statutory agency with funding capacity to develop a skills sector that better aligns with future skills needs
- A universal learning entitlement and a lifetime learning account, with improved access to loans, not restricted to first qualifications, and a universal student number attached to the account to track and monitor acquired skills and qualifications

⁷³ Submission 033 Holmesglen Institute.

⁷⁴ Submission 073 Wodonga TAFE.

⁷⁵ ____ (2017) *Future-Proof: Protecting Australians Through Education and Skills*, Business Council of Australia.

https://www.bca.com.au/future_proof

⁷⁶ Submission 009 Box Hill Institute.



- Provision of comprehensive independent advice on courses and pathways for current and prospective learners, and additional support for cohorts needing it.⁷⁷

A number of submissions, such as that from ACE Victoria, considered VET in relation to ACFE:

Learn Locals (LLs) are perfectly positioned to provide additional literacy, numeracy, employability, and digital skills training to learners undertaking TAFE programs. This will assist with students' completions and transitions into employment. Ideally, LL experts could be deployed and embedded within TAFEs to broker the relationships between LLs and TAFE.

The ACFE Board identified a range of models it is considering for formalising the relationship with TAFE over time.⁷⁸ These include ways for working together such as:

- Reciprocal referrals
- Outreach and engagement
- Pathway planning
- Marketing and value proposition to stakeholders
- Shared networks including industry
- Course co-delivery models
- Share facilities
- Support learners in accredited courses
- Codesigned courses.⁷⁹

Without pre-empting the Board's decisions, the Review believes the ACFE and TAFE sectors have much to offer each other, especially as partners in meeting the needs of Victoria's vulnerable learners.

⁷⁷ ____ (2018) *Three Recommendations for Renewal of Post-Compulsory Education in Australia: Report of the 2018 Monash Commission*, Monash University. <https://commission.monash.edu/2019/05/03/1374780/report-of-the-2018-monash-commission>

⁷⁸ Submission 056 ACFE Board.

⁷⁹ Submission 056 ACFE Board.

2. Shared insight: Using evidence for better decision-making

For users of the Victorian skills system, knowledge is power. Submission after submission to this Review identified lack of knowledge about how the system works as a barrier to employers, providers, communities and, above all, learners, getting what they need from it. This chapter proposes a set of reforms to put more power in the hands of organisations and people in the skills sector by giving them the highest-quality data, evidence and information about Victoria’s skills needs.

As the economy and the nature of work change rapidly in coming years, so will Victoria’s training priorities. All users of the skills system must stay in touch with these shifts. Learners must know what skill gaps are emerging, and what courses will provide the qualifications to fill them. Businesses must know they can hire workers with the right skills, at the right time and in the right location. Providers must be able to plan their courses knowing what skills are needed in their region and across the state, what student flows they can expect, and what other providers are offering and charging. Government needs data from all these sources so that it can plan with confidence to meet the immediate and longer-term needs of the economy.

To ensure the skills system provides this high-quality information, substantial change is required. The system is made up of many expert organisations and people who hold valuable knowledge and insights. But too much of this information is held in pockets or silos. The Victorian Council of Social Service (VCOSS) captured the need for decisive reform to improve both decision-making and policy implementation. It argued that the system should:

Ensure a comprehensive range of data insights are routinely collected and made available to stakeholders to support good and timely data-driven decision making. Investing in high quality data collection enables key stakeholders to better understand the impacts and any unintended consequences of policy decisions.⁸⁰

This comment gets to the heart of why insights built on data matter. To build trust in the policy process, ‘a different kind of reform’⁸¹ is needed, one that puts evidence at the centre of the system.

This chapter proposes the creation of a platform within FutureSkills Victoria – FutureSkills Insights – to generate the powerful data and insights that the system needs to enable all users to make informed decisions. Using advanced analytical techniques, FutureSkills Insights would provide information on jobs and skills in demand across industries, and the changing skill needs across communities and regions. It would gather information previously held in silos in order to build a powerful data and evidence base that would benefit all stakeholders. Clear governance protocols would ensure data privacy and integrity.

⁸⁰ Submission 099 VCOSS.

⁸¹ Submission 056 ACFE Board.

The importance of FutureSkills Insights does not stop with data analysis. The value of data to a system depends not only on the quality of analysis generated from it, but on how different stakeholders put the analysis to work. The impact of FutureSkills Insights depends on the development of highly interactive, user-centred online interfaces, as well as expert support for data insights and interpretation. Too often, government investment in data stops at a website or an analytic model, rather than supporting every stage of the process needed to put the data to proper use.

The FutureSkills Insights platform would allow learners to see what skills are in demand in their community, and what courses provide these skills at a good quality and a fair price.

Information on the platform would both draw on and feed into a new evidence-informed Victorian Skills Plan. The Plan would provide an annual assessment of skills needs and provision profile, both of the state and of particular industries and regions. It would be informed by evidence about how best to ensure regional skills delivery, how to generate specialised skills and qualifications, and which previous skills delivery has succeeded in meeting learner and employer needs. FutureSkills Victoria would develop the Plan, in close partnership with areas of government responsible for economic development. The Plan would evolve over time as a ‘living’ map of skills needs and provision, as data and insights also provide a deeper understanding of the effectiveness of policy interventions and public investments.

The establishment of FutureSkills Insights and the Victorian Skills Plan would help to create a more mature skills system, in which both student and provider decisions are well informed.

Teachers in the skills sector must also base their practice on evidence and insight. To ensure that teacher professional learning is informed by evidence relevant to practice, the Review proposes bringing the VET Development Centre (VDC) into FutureSkills Victoria. The change would send a strong signal that FutureSkills Victoria intends to reinvent the skills sector as a ‘learning system’, capable of generating, using and sharing its own expertise.

Recommendation 2.1 – Improve data for decision-making

The Victorian Government should:

- Establish FutureSkills Insights, an integrated data and insights function within FutureSkills Victoria that generates, collects and shares relevant data and evidence among all system participants. FutureSkills Insights would:
 - constitute a go-to online platform where the system’s knowledge and insights from practice can support decisions by industry, communities, providers and students
 - draw data from a range of system-wide and local sources, and negotiate mutually beneficial access arrangements with data owners and custodians
 - facilitate systemwide debate about data and its interpretation
 - collect new data in response to identified needs, especially job outcomes.

- Fund FutureSkills Insights at a level that would ensure its data function can continue to be built, not merely maintained.
- Undertake immediate data analysis on the impact of COVID-19 on young people.

What this involves

FutureSkills Insights would be a data and insights function within FutureSkills Victoria. Transparency and shared use of data would be essential to building trust and confidence in FutureSkills Victoria’s leadership, and across all stakeholders. Data is not only an ingredient for better decision-making, but a relationship-building tool that sparks conversations about the evidence underpinning problems that require shared solutions. The work of FutureSkills Insights would drive such open and effective system-wide collaboration.

FutureSkills Insights would gather the system’s intelligence – including data and insights drawn from expertise buried within the skills sector, in other parts of government, and in non-conventional data sources beyond it – in one place. It would share insights on:

- The supply and demand of jobs and skills across industries and regions
- The changing skills needs within and across occupations
- Pathways analysis that links study options to jobs and careers
- Emerging and projected skills needs, as care models and supply chains are disrupted, and the shifts to a digital and clean economy are accelerated.

FutureSkills Victoria would use its collaborative governance structure and relationships to gather and hold data from across the sector within FutureSkills Insights. The organisation would negotiate for access to data in a sensitive, sophisticated manner, working off the principle that greater transparency of each party’s data is valuable for all. FutureSkills Insights would also negotiate data-sharing across Victorian Government portfolios, and between the Commonwealth and the state – again based on principles of mutual benefit. Data would flow into FutureSkills Insights from across the system, and then out again to help industry, communities, providers and students make informed decisions.

Regular users of data know it can be interpreted in different ways. FutureSkills Insights would convene discussion and debate about the data it gathers, enabling diverse voices to be heard and helping the sector understand more deeply what data matters, and why. With skills forecasting, FutureSkills Insights would not rely on a single data model but reflect a mature approach that combines multiple information sources to generate insights.

As Victoria emerges from the pandemic, the Victorian Government should prioritise analysis of the skills needs and work situations of young people, whose learning and earning potential has been significantly affected by the COVID-19 crisis. This analysis should begin as soon as possible, before FutureSkills Insights is established, to prepare for the surge in young people entering the labour market at the end of the 2020 school year.



The Review recognises that collation, curation and linkage of data is a big task, requiring ongoing maintenance and upgrades. It recommends funding FutureSkills Insights at a level that would ensure its data function can continue to evolve, not merely be maintained.

What we heard

The FutureSkills Insights proposal responds to the following needs expressed to the Review:

Improve transparency of data to improve system and local decision-making

Submissions from the skills sector consistently called for a high-quality, public evidence base. Providers, industry and community groups, and students all voiced frustration at their inability to access the information they needed.

Lack of data affects all stakeholders, from students not knowing which courses will most likely lead to jobs⁸² to industry feeling in the dark about longer-term trends in the Victorian economy.⁸³ For education and training providers, a lack of transparent data about skills supply and demand contributes to ‘unsustainable and fragmented supply as providers move against each other to capture market share’.⁸⁴ A view was also expressed that the Victorian Government could do more to share the skills data it holds.⁸⁵

The Office of the Victorian Skills Commissioner (OVSC) has made recent progress in local data initiatives, alongside DET’s Jobs and Training Needs Reports and Training Market Reports. Yet stakeholders still see room for significant improvement in the use of skills data. Holmesglen noted that the OVSC has not yet effectively connected demand-side data to supply-side insights ‘in conjunction with providers at a strategic level’. Government and providers need to work together, while ‘understanding the role of each party, respecting that role and providing the opportunity for all parties to plan for a solution’.⁸⁶ This call for collaboration pinpoints why a platform like FutureSkills Insights is needed.

Gather a range of data from local and system sources

Many stakeholders collect and analyse different sources of information about skills supply and demand. The National Skills Commission produces national data analysis, while education and training institutions depend on institutional data and market analysis to make decisions. Private and community organisations also collect increasingly sophisticated skills supply and demand data. These include online career development platforms (such as Seek and LinkedIn); unions who collect rich labour market information from their members; and community groups who gather jobs and skills data about the most vulnerable Victorians. All these sources have something to offer the skills

⁸² Student Survey response 2020.

⁸³ Submission 043 Plumbing Industry Climate Action Centre (PICAC).

⁸⁴ Submission 123 Melbourne Polytechnic.

⁸⁵ Submission 106 GOTAFE; Submission 123 Melbourne Polytechnic; Submission 098 TAFE Gippsland.

⁸⁶ Submission 033 Holmesglen Institute.



sector; no single source – not even system-wide forecasting – is enough to fully describe the system on its own.

Submissions to the Review stressed the need for skills planning to be informed by nuanced data, including qualitative and quantitative insights drawn from local and system sources. This comment from Chisholm Institute typifies the sophisticated analysis in Victorian TAFEs:

Like most TAFE providers, Chisholm utilises a variety of methods to predict which occupations are most in demand in the South-East region of Melbourne. Methods include undertaking environmental scans of the local area, reviewing the Jobs and Training Needs Report released (sic) by the Department of Education and Training (DET) and regularly ‘listening’ to industry stakeholders.⁸⁷

Learn Locals also supplement system data with local insights, using their ‘close contact with local sources of information about community, labour market and specific industry needs’.⁸⁸ The importance of nuanced analysis that connects system data with local insights was recognised in internal government advice provided to the Review.⁸⁹

The value of data is borne out by the effort made by stakeholders to acquire and use it. A central hub would make their work significantly more efficient and effective. FutureSkills Insights would deliver the data insights that stakeholders are calling for.⁹⁰

The need for a range of data sources also applies to system-wide economic modelling. A study by the Centre for International Research on Education Systems, commissioned for the Review, found that while the Victorian Government uses several models for skills forecasting, no one model has enough flexibility and granularity to meet all stakeholders’ needs.⁹¹ Skills needs analysis conducted by AlphaBeta demonstrates how forecasting methods themselves are continually evolving as new data sources emerge.⁹²

Submissions also identified data gaps that FutureSkills Insights could lead research to fill. The most commonly identified gap is the lack of sector-wide data on student destinations that would help to determine which courses lead to skilled jobs.⁹³ Other data requests included apprentice employment patterns and rotations;⁹⁴ workforce diversity;⁹⁵ and uptake and impact of Free TAFE.⁹⁶ Other recommendations for data improvement focused on data architecture such as categorisation

⁸⁷ Chisholm Institute (unpublished).

⁸⁸ Submission 095 Adult and Community Education Victoria (ACEVic).

⁸⁹ DET Administrative Data (unpublished).

⁹⁰ Submission 098 TAFE Gippsland.

⁹¹ ____ (2020) *Mapping Victoria’s education and training needs Final Report*, prepared for the Review by the Centre for International Research on Education Systems (CIRES).

⁹² ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.

⁹³ Submission 056 ACFE Board; Submission 020 BKI; Submission 025 Chartered Institute of Logistics and Transport; Teacher Survey response (2020).

⁹⁴ Submission 070 AEN.

⁹⁵ Submission 070 AEN.

⁹⁶ Submission 077 La Trobe University.

methods and data linkage tools. These suggestions could be incorporated into the FutureSkills Insights work plan over time.

Facilitate a collaborative approach to validation of data to build trust and insight

The world's most effective skills systems take a collaborative approach to interpreting data. In Finland, for example, skills forecasting does not rely on data analysis disconnected from human perspectives but instead uses a 'social partnership' approach through the Skills Anticipation Forum, involving industry, workers, providers and teachers.⁹⁷

Collaborative interpretation of data already happens in Victoria's skills sector, with discussions among stakeholders to resolve different views. The Centre for Continuing Education said:

The Jobs and Training Needs Reports (JTNR) are a good initiative. However, we question where the intelligence and data for these reports comes from as sometimes our local intelligence is at odds with it, even though the reports are compiled on a region by region basis.⁹⁸

One industry training board suggested involving industry and unions in validating data on skills supply and demand; 'otherwise, mistakes will be made'.⁹⁹ TAFE Gippsland noted the benefit of a 'fresh set of eyes' on institutional data from external consultants¹⁰⁰ while local collaborations such as Local Learning and Employment Networks regularly engage stakeholders in data-driven discussions. The FutureSkills Insights online platform would provide a space in which a wide range of data can be interpreted and discussed.

Recommendation 2.2 – Establish a Victorian Skills Plan

The Victorian Government should:

- Commission FutureSkills Victoria to publish, from 2022, an annual Victorian Skills Plan that sets out Victoria's skills needs for the year ahead and beyond by:
 - drawing on data, evidence and insights from the FutureSkills Insights platform, and from all providers in the VET, ACFE and higher education sectors
 - building on analysis of industry skills needs, current and needed training courses, and efficient and effective pricing information ensuring that provision of courses meets equity goals.

⁹⁷ Submission 033 Holmesglen Institute.

⁹⁸ Submission 038 The Centre for Continuing Education.

⁹⁹ Submission 119 Community Services Health Industry Training Board.

¹⁰⁰ Submission 098 TAFE Gippsland.

- Use the Plan to inform negotiation between DET and providers about the courses to be ‘in scope’ in provider contracts.
- Require FutureSkills Victoria to make a draft available for public comment before it is published online, after negotiations with providers over contracts, and to regularly update the Plan to show how Victoria’s skills needs will be met.

What this involves

The Review recommends the use of FutureSkills Insights data as the basis for a new Victorian Skills Plan that cuts through the complexity and overlap of VET provision. The Plan could transform provision in the Victorian skills sector from a chaotic marketplace riddled with gaps and duplication to a more evidence-informed array of course options that meet the needs of Victorian students, industry and communities, and the economy.

The Plan would not be a centrally-driven blueprint that all providers must follow – the relationship between supply and demand is more dynamic than that, and centrally-directed plans often fail to deliver for local communities. Instead, it would be a dynamic, transparent roadmap, created in partnership with providers, industry and communities. The design of the Plan would need to align with Victoria’s strategy for economic recovery, adapt as needed to emerging priorities, and involve collaboration among all stakeholders.

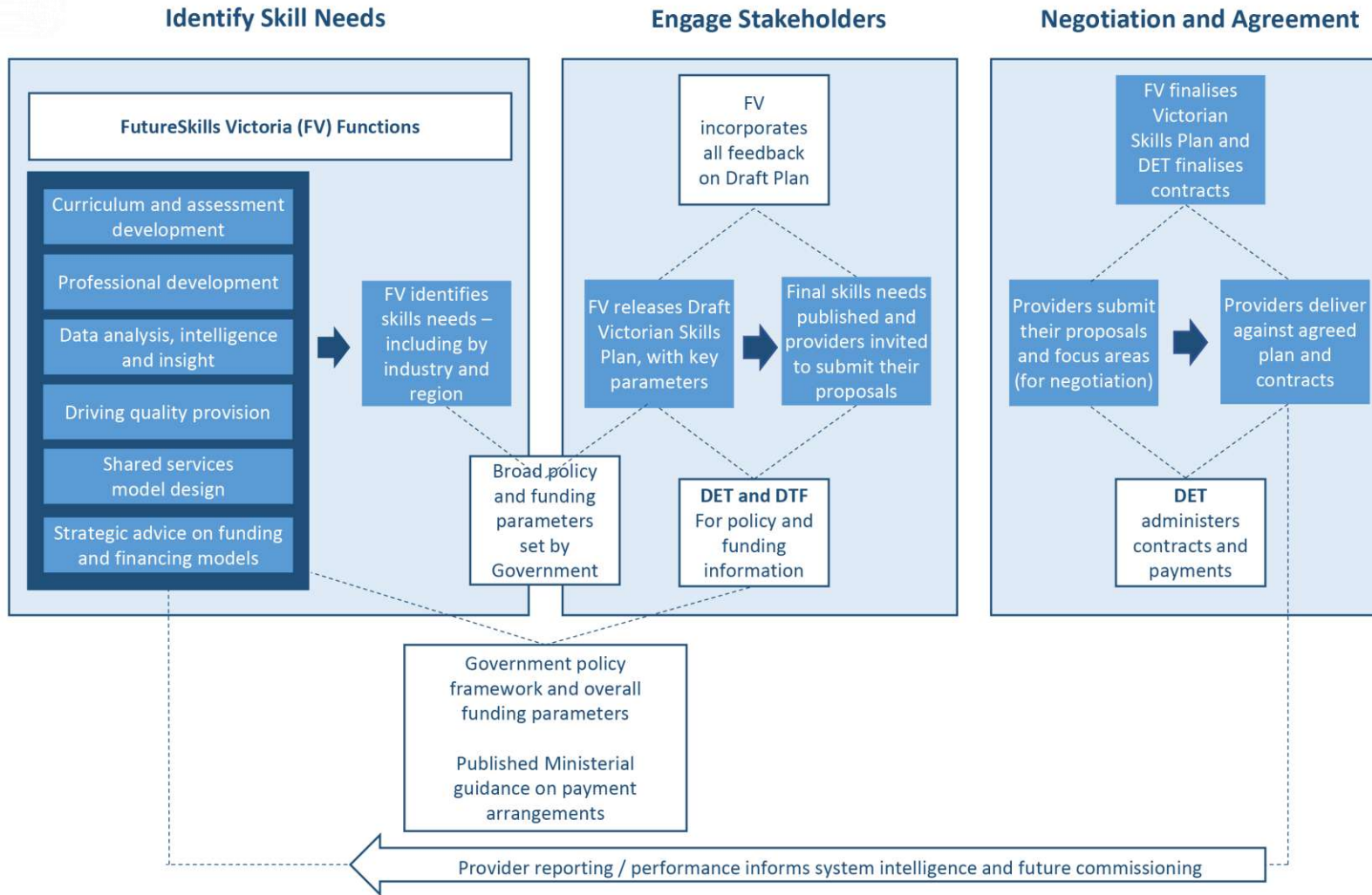
While the Review does not, therefore, specify the design of the Plan, it proposes a process for its development and ongoing maintenance. Development of the Victorian Skills Plan would need to commence in 2021, in order to support release of the first annual Victorian Skills Plan in 2022. This would involve gathering all relevant information, notably:

- Granular labour market data and insights, including ideas from the FutureSkills Innovation Fund, FutureSkills Labs and Skills and Jobs Centres, and from elsewhere in government, to ensure consistency and quality.
- Guidance on policy and Budget parameters determined by the Government, including in relation to base prices, relevant subsidies, loadings and concessions, and other relevant VET funding parameters.
- Wider reform directions, such as stronger links with Victorian industry policy, fewer but better courses, encouragement of new courses, the current policy interest in skill sets, or any future interest in other short courses or microcredentials.
- Aspects of Commonwealth policy that may affect provision planning, including any constraints imposed by intergovernmental agreements.

Figure 12 shows the process by which the Plan would be developed and implemented: from identifying needs; to engaging stakeholders; to negotiating implementation and funding course delivery through the purchasing process. FutureSkills Victoria would play a lead role in each stage of the Plan’s development, with the Minister and Treasurer still determining overall investment in skills sector provision and its link to economic growth strategies.



Figure 12: Process for developing and implementing the Victorian Skills Plan



The middle column in the diagram above – ‘engage stakeholders’ – highlights FutureSkills Victoria’s collaborative approach. The organisation would consider diverse views from across its broad stakeholder base, alongside the Government’s own policy and investment priorities (such as stimulus projects). This approach would yield a better plan, by surfacing a wider range of opportunities and risks, and generating the buy-in necessary for providers to deliver on it.

A collaborative approach to planning, setting out clear roles for different providers, would reinforce FutureSkills Victoria’s purpose. An effective plan would involve a range of quality providers, including TAFEs and private RTOs. A more rigorous and transparent Victorian Skills Plan would enable providers to better define their own particular contributions within a collaborative system.

TAFEs would have a central role, with an opportunity to negotiate solutions to any expectations that might stretch their capability. The new arrangement could open up robust discussions about community expectations on TAFEs, and opportunities for other providers to play a role in servicing thin markets or form partnerships. TAFEs could discuss with ACFE providers and other RTOs who is best placed to serve a particular need. The Plan would inform collaboration between providers at the local level through expanded SJs (see 5.1), and for specific sectors of the economy through FutureSkills Labs (see 4.1).

The Victorian Skills Plan would above all seek to put learners first. Smart use of data combined with an effective strategy for the entire sector makes it possible to improve the suite of learning options so that no learner is left behind. For example, thinking strategically about TAFE and ACFE provision can improve access for vulnerable Victorians. Using FutureSkills Insights data, the Plan would also consider equity needs across diverse groups and locations, including men and women, students with disability, refugees and migrants, and people without the means to readily access training. Skills provision for Koorie communities would be addressed through an integrated Koorie Skills Plan (see 5.2).

What we heard

The Victorian Skills Plan proposal responds to the following needs expressed to the Review:

Plan collaboratively and transparently

The Review heard that skills planning in Victoria is already guided by an extensive evidence base – the Funded Course List, which lists courses that can be delivered by contracted Skills First providers. Discussions with DET about the quality of data confirmed that a rigorous analytic process informs planning.

However, conversations with stakeholders did not indicate that this central process had brought providers together around a commonly understood plan to deliver skills for Victoria. Providers can negotiate delivery of courses as single institutions with their own interests to the fore. Many providers rise above this tendency and plan delivery based on community needs, but some, especially TAFEs, risk damaging their commercial viability in doing so.



The result appears to be enduring frustration on the part of industry and students about how well provision meets their needs. While the Office of the Victorian Skills Commissioner has made progress in engaging industry in skills sector planning, industry-based FGM Consultants were less optimistic:

We don't need SW TAFE and GOTAFE and TAFE Gippsland running parallel Dairy Courses, running three different course directors, developing course materials etc. and then in competition with each other. Where is the sense or business case in that?¹⁰¹

The Picture Framers Guild stated simply: 'Please train our industry'.¹⁰² It seems that industry – at least parts of it – does not feel consulted in skills sector planning.

Empowering workers in planning is equally important. The Victorian Trades Hall Council voiced concern that skills provision was oriented towards boosting industry profitability, rather than 'the long-term well-being of the workforce'.¹⁰³ The Review recognises that the state's long-term economic growth will require workers to have high-value, portable skills.

Based on these insights, the proposed Victorian Skills Plan would require a fundamental rethink of how the skills sector approaches provision planning, a shift in mindset that may be the hardest part of planning reform, as VET expert John Fischer predicted.¹⁰⁴ Submissions to this Review nevertheless offer hope that alternative ways of thinking are possible. Some stakeholders indicated support for a stronger Government role to share information to guide collaborative planning,¹⁰⁵ and even to take a more directive role in course delivery in thin markets.¹⁰⁶ The Victorian TAFE Association (VTA) proposed a 'new statutory body' to lead planning;¹⁰⁷ a role that FutureSkills Victoria could readily fill.

Leading international skills systems approach planning as a collaborative, transparent exercise, using a range of inputs to make the whole sector visible in system and regional planning. For example, Skills Development Scotland brings all stakeholders to the table to collectively analyse, plan and work towards achieving the nation's skills needs. It links industry intelligence about projects, jobs and skills with the capacity of providers and communities to deliver them. A high-quality digital platform makes skills priorities and provision visible to all, especially the learners who will train for the jobs of the future.

¹⁰¹ Submission 107 FGM Consultants.

¹⁰² Submission 049 GLAAS Inc and Picture Framers Guild.

¹⁰³ Submission 109 VTHC.

¹⁰⁴ Submission 003 John Fischer.

¹⁰⁵ Submission 125 VTA; Submission 123 Melbourne Polytechnic.

¹⁰⁶ Submission 123 Melbourne Polytechnic.

¹⁰⁷ Submission 125 VTA.



Take a broad view across the post-secondary education and training sector

The Review also found support for clearer parameters about providers' roles in VET provision. As one submission observed, 'TAFEs cannot be all things to all people'.¹⁰⁸ The Review recognises the contribution of independent VET providers in skilling the Victorian workforce,¹⁰⁹ as well as the special role of industry RTOs in connecting learning and work.¹¹⁰ Under the Victorian Skills Plan, all quality providers would continue to play a vital role.

The Review heard support – including from TAFEs – for managing the breadth of TAFEs' role, especially in relation to specialisation.¹¹¹ RMIT explained how this can support collaboration:

Reforms which enhanced competition halted much of the collaborative nature between institutions. It also means that institutions are less likely to specialise in a specific area and collaborate across institutions for a full suite of skills needs. A shift toward institution specialisation and a culture of sharing the load (instead of everyone doing everything) could drive more meaningful collaboration.¹¹²

FutureSkills Labs (see 4.1) and shared curriculum development (see 6.1) would be focal points for potential TAFE specialisations, enabling leading TAFEs to share their expertise.

The Review heard that many Learn Local RTOs deliver foundation-level qualifications (Australian Qualifications Framework Levels I and II) that TAFEs do not deliver, thereby providing important opportunities for vulnerable learners.¹¹³ The ACEF Board argued for 'joint planning across pre-accredited and accredited training, to better support vulnerable learners, and to ensure provision is effectively allocated across the state, based on learner and industry need'.¹¹⁴ The Review supports joint planning between ACEF and the broader VET system, and potentially extending that planning to higher education over time.¹¹⁵

Ensure that provision planning meets equity goals

Improving equity of access across geographic areas was a prominent concern in submissions focused on planning. The Review agrees that planning must meet the needs of regional Victorians. Many VET and ACEF students prefer to study close to home. One said:

¹⁰⁸ Submission 051 Neighbourhood Houses Victoria.

¹⁰⁹ Submission 044 ITECA.

¹¹⁰ Submission 054 Master Builders Victoria; Submission 043 PICAC.

¹¹¹ Submission 073 Wodonga TAFE; Submission 048 WAI; Submission 109 VTHC; Submission 072 BSL.

¹¹² Submission 074 RMIT College of Vocational Education.

¹¹³ Submission 095 ACEVic.

¹¹⁴ Submission 056 ACEF Board.

¹¹⁵ Submission 125 VTA.



It is absolutely awesome having a local TAFE...can't emphasise the importance of this enough, and the excellent quality of the teaching and support!¹¹⁶

Yet provision in many regional communities is patchy or dependent on targeted short-term investment. Internal government advice regarding the Regional and Specialist Training Fund indicates that the program addressed needs that could not have been met otherwise.¹¹⁷

TAFEs and Learn Locals have a special role outside metropolitan areas; in many Victorian communities they are the focal point for learning. Yet this can be a 'two-edged sword', as regional communities may pressure TAFEs to provide courses that are not profitable.¹¹⁸ Transparent provision planning through the Victorian Skills Plan could help TAFEs to manage expectations, and explore different options. As more collaboration occurs within the sector, provision through partnership may become an increasingly viable possibility. Online or blended learning can reach across geographic catchments and address provision needs.

Balance stability and agility to adapt planning to changing needs

The Review heard that the Victorian Skills Plan would have to be stable enough to enable providers to plan, but flexible enough to accommodate regional variations. The Centre for Continuing Education described the current planning approach as 'like a sledgehammer' in its inability to cater to regional variations in demand for qualifications.¹¹⁹ On the other hand, GO TAFE argued that too much variation in skills planning undermines providers' ability to deliver:

The constant change of policy over the last decade has resulted in VET providers becoming more reactive rather than proactive, with limited time to plan longer term strategies to improve quality, remain relevant and grow and sustain VET businesses. GOTAFE acknowledges the recent stability of VET policy and encourages further stability within the 'managed market' approach, to ensure TAFE can establish a more grounded approach to developing longer term education strategies.¹²⁰

Overall, stakeholders believe that skills planning, both by institutions and the system, needs to operate over a longer cycle. Some TAFE and ACEF providers suggested extending the contracting and planning cycle to between three and five years, with flexibility to add courses to their scope during that period to respond to industry.¹²¹ Other providers simply asked for advance notification of impending changes to VET funding or caps.¹²² The Review supports these ideas in principle, while

¹¹⁶ Student Survey response (2020).

¹¹⁷ DET Administrative Data (unpublished).

¹¹⁸ Submission 073 Wodonga TAFE; Submission 098 TAFE Gippsland.

¹¹⁹ Submission 038 The Centre for Continuing Education.

¹²⁰ Submission 106 GOTAFE.

¹²¹ Submission 098 TAFE Gippsland; Submission 079 South West TAFE; Submission 095 ACEVic.

¹²² Submission 038 The Centre for Continuing Education; Submission 095 ACEVic.



noting that further work would be required to harmonise a longer planning period for providers with the annual budget cycle.

Recommendation 2.3 – Establish a FutureSkills Insights student interface to support decision-making

FutureSkills Victoria should:

- Develop a user-friendly online platform within FutureSkills Insights to help current and prospective students choose courses and providers. Over time the platform would:
 - provide clear information about the link between courses and jobs, and about the respective merits of all forms of post-secondary education and training, including university and VET options for entering selected industries, and ACFE options as entry points into further learning
 - provide information about individual course fees, costs, requirements and logistics, and supports for students to meet costs and succeed in their courses
 - connect students to live decision-making support where required, either through real-time online services or face-to-face services in expanded Skills and Jobs Centres (SJs).

What this involves

The most important decisions in the skills sector are made by students. Better provision planning will only benefit Victoria if students opt to acquire the skills that the Victorian economy needs, in sectors that offer greatest potential for its future. Students who make informed decisions are more likely to complete their course and help to strengthen the skills pipeline for Victorian employers.¹²³ These benefits depend on students having the right information about Victoria’s skills and jobs needs to guide their choices.

The Review recommends that FutureSkills Insights include a reliable, comprehensive online platform to make the skills sector both visible and navigable for students. Internal advice provided to the Review from DET indicates that the current Victorian Skills Gateway will soon be overhauled, providing an improved platform on which to build further data functionality to support student decision-making. Priorities in platform development should include user testing, as well as linking and curating available data for a seamless user experience. FutureSkills Insights would also work closely with the National Careers Institute, to ensure alignment between related initiatives such as the My Skills website and Skills Match Tool.

The FutureSkills Insights student platform could link to other digital initiatives led by FutureSkills Victoria and proposed in this report. They include Learner Profiles, which enable learners to match their skills and interests to study and employment options (see 4.4); work placement opportunities to help learners to access hands-on skills while they study (see 5.4); and a possible link to online

¹²³ Ibid.

career advice through expanded SJs (see 5.1). New data collected by FutureSkills Insights on student destinations (see 2.1) could be a valuable resource to help students see which courses are most likely to lead them to a job.

Gradual development of the FutureSkills Insights student interface would build in tools to navigate the entire skills sector, including TAFE and training, higher education and ACFE. Students could meaningfully weigh up the VET and higher education pathways into their chosen careers, and ACFE options to give them a first step. Subject to privacy protocols, the online platform could capture real-time data about what students choose and why, which would become part of FutureSkills Insights' data resource to share with the sector.

FutureSkills Insights must also provide accurate information about course costs (including materials and other charges) and support available to meet them. Financial stress can severely damage a student's chances of completing courses or deter them from study. All information provided to students should encourage them towards the most informed decisions for their future.

The FutureSkills Insights student platform would also benefit industry and schools by improving the navigability of the Victorian skills sector. Backed by the substantial FutureSkills data engine, the platform could change the way Victorians make decisions about the skills sector, as well as how students use their digital profiles to guide their lifelong learning.

What we heard

The student interface proposal responds to the following needs expressed to the Review:

Reduce complexity and make the system easy to navigate

The current skills sector is extraordinarily hard to navigate, particularly for young people:

The complexity of the current training system, both in terms of the number of qualifications (1,527) and units of competency (17,605) within and across training packages creates confusion for students and employers and dilutes the value of vocational qualifications and pathways.¹²⁴

The complexity of enrolment procedures and financial support options add to the sense that VET is 'overwhelming' for young people.¹²⁵ Students spoke of having to 'research the internet for hours' to navigate options, only to find that information was too inconsistent to make meaningful comparisons.¹²⁶ Poor information makes students susceptible to marketing or decisions by default, rather than empowering them to make positive choices.

¹²⁴ Submission 113 FYA.

¹²⁵ Submission 046 National Centre for Vocational Education Research (NCVER).

¹²⁶ Student Survey response (2020).

Submissions strongly supported the need for better advice to guide student decision-making and to overcome current ‘information asymmetries’ that distort student choice.¹²⁷ VCOSS identified the kind of online interface that would meet the needs of Victorian learners:

A comprehensive and up-to-date website would make it easier for students, families and carers, and career practitioners to understand the VET system and how it interacts with other education and training pathways, as well as career opportunities. It should include comprehensive pathways that individual courses or units can lead to, ways to transition to and from educational institutions to gain the skills students need...and show aspirational career pathways.¹²⁸

Some organisations have developed their own solutions to this urgent problem. ‘Pivot’ is an innovative partnership between FYA, Today Strategic Design and data partners AlphaBeta:

Codesigned with end users (young people, education providers and industry partners) Pivot is a prototype, online career-navigation tool that uses data from thousands of job ads to find out what skills employers are asking for... Pivot can be used at any stage of the career journey and generates individualised results to help people understand and explore the skills they have developed through work and study...that match their skills and/or interests and the range of employment opportunities available to them in the [South West] region.¹²⁹

The Geelong Careers App is another place-based online platform that connects students in the Geelong region with local skills and jobs.¹³⁰ Geelong Careers connects users to between 400 and 1,000 local jobs every day, showing the potential impact of up-to-date local data.

Provide information about the link between skills and jobs

Submissions to the Review stressed the need for current and prospective students to better understand the labour market.¹³¹ Fire Equipment Services said that students ‘need to see occupations they can relate to as end points, not qualifications’.¹³² Making this information accessible to students requires ‘shared expertise from government, employees and employers’, as well as ‘clear and comprehensive skills forecasts’.¹³³

¹²⁷ Submission 044 ITECA.

¹²⁸ Submission 099 VCOSS.

¹²⁹ Submission 113 FYA.

¹³⁰ Consultation with Geelong Regional Local Learning and Employment Network (LLEN).

¹³¹ Submission 027 Mackenzie Research Institute Part 2; Submission 123 Melbourne Polytechnic; Submission 122 Air Conditioning and Mechanical Contractors Association.

¹³² Submission 111 Future Energy Skills (FES).

¹³³ Submission 069 SDA National.



Many students told the Review that they wanted more information about whether their course led to a job, and that they were often ‘flying blind’ in choosing study options:

I couldn't tell if the Free TAFE course I selected would land me a job at the end.¹³⁴

Those who did feel confident in the link between their course and future career typically obtained this information through other sources, such as first-hand experience or industry connections. Without access to these insights, a lack of job-related information can be disastrous for students: several students told the Review that they found out ‘halfway through’ their course that it would not equip them for the job they wanted.¹³⁵

Industry felt that skills sector could do more at the point of enrolment into a course to promote the employment options industry offers.¹³⁶ This information will become even more important as the labour market opens up after COVID-19, when Victorians will need to locate the career opportunities that have emerged in the transformed economy.

Promote evidence-informed choices between university, TAFE and training, and ACFE

Providers and industry told the Review that VET faces an uphill battle to convince students to enrol. A large volume of submissions located this problem in the Victorian school system, where schools are geared to funnel as many students towards university as possible. The complexity of the skills sector reinforces this trend, making it far more difficult for school careers practitioners (and critically, students and families) to understand vocational options.

Beyond high-quality but specific research,¹³⁷ the Review found that reasons for student choices are generally not well understood across the skills sector.¹³⁸ While the Department of Education and Training undertakes an annual Student Satisfaction Survey, analysis and insights from that data are not shared with the sector, nor is data made publicly available. Anecdotal evidence suggests that students may often make decisions for more personal reasons, such as finding TAFEs ‘too big and intimidating’.¹³⁹

Provide practical, accurate information about course requirements, costs and support

Students expressed a heartfelt need for accurate information about what their courses involved. Adult learners frequently balance study with work, family and lifestyle commitments, and simply knowing when to turn up, and what is required, is essential to making study manageable and

¹³⁴ Student Survey response (2020).

¹³⁵ Student Survey response (2020).

¹³⁶ Submission 118 Furnishing Industry Training Advisory Group (FITAG); Submission 049 GLAAS Inc and Picture Framers Guild Australia.

¹³⁷ For example: Brown J (2017) *In their words: student choice in training markets – Victorian examples*, National Centre for Vocational Education Research (NCVER). <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/in-their-words-student-choice-in-training-markets-victorian-examples>

¹³⁸ Submission 056 ACFE Board; Submission 039 VicTESOL.

¹³⁹ Teacher Survey response (2020).



enjoyable. Such basic information seems surprisingly hard to come by: many students raise concerns about missing or misleading information about course dates, placement requirements, assessment expectations, and even whether the course was going ahead.¹⁴⁰ While such detail may extend beyond what FutureSkills Insights can provide, it points to room for improvement in some providers' student communications.

Information about course costs is also essential, and this can be a powerful driver for student decisions. Low costs can drive poor decision-making, as Chisholm Institute found:

On occasion a student has selected a course due to guidance from a friend or family member, or they selected a course due to the fact that it was 'the best' of the Free TAFE options, and the course did not align with their own interests, goals or aptitude.¹⁴¹

In addition, the Brotherhood of St Laurence proposed that all providers should make their student support services visible to prospective students online¹⁴² – a valuable suggestion that would be facilitated by more connected student supports (see 5.3).

Recommendation 2.4 – Publish selected performance data for Skills First providers

FutureSkills Victoria should:

- Work with all skills sector stakeholders to identify VET provider performance measures, to be published on the FutureSkills Insights platform, in order to enable students to choose quality courses. This would involve:
 - consulting stakeholders on a VET Continuous Improvement Framework as an internal tool for informing continuous improvement and as an external measure of VET quality
 - working with providers to identify appropriate measures of performance for publication
 - agreeing on appropriate methods to enable fair comparison between providers
 - committing to ongoing monitoring and evaluation of use of performance indicators in student decision-making and provider improvement, and making adjustments as needed to ensure data is fair and fit-for-purpose.

What this involves

The Review recommends that FutureSkills Victoria establish a fair and transparent system for publishing provider performance data through FutureSkills Insights. The goal should be to elevate the profile of high-quality providers, and place quality considerations first in student decision-making. A second goal would be to spark conversations about quality amongst providers

¹⁴⁰ Student Survey response (2020).

¹⁴¹ Chisholm Institute (unpublished).

¹⁴² Submission 072 BSL.

themselves, with public information providing a diagnostic tool in collective efforts to raise student outcomes. These goals are explicitly not about publishing data to drive competition or punish providers. Their effectiveness depends on the strength of the collaborative culture that FutureSkills Victoria would develop.

The measures and method of publication would require deep consultation with providers, industry and communities, and should take into account the following considerations:

- **Only publish performance measures that the sector has validated collectively**

Performance data should only be released publicly if it has been validated by sector stakeholders. ‘Validation’ means that experts within the skills sector, as well as key clients in industry and communities, see the relevant data as fair and useful measures of quality. FutureSkills Victoria would host the difficult conversations necessary to determine which measures of quality are most suitable for publication.

- **Provide contextual information to support fair comparisons between providers**

Simplistic comparisons of performance data are likely to be misleading, and further distort student choices. The Review agrees that public reporting of performance must include ‘appropriate contextualisation’, in order to help readers compare RTOs and interpret information.¹⁴³ This may involve adjusting measures for catchment or student cohort; or creating performance benchmarks for different provider categories (see 6.7). Another option would be to identify the least sensitive measures to provider type or context. For example, asking students whether they are likely to recommend a provider to another student is likely to be comparable across different providers and cohorts.

- **Monitor the impact of performance data on student choice and provider improvement**

The Review’s proposal that FutureSkills Insights collect data on student decision-making (see 2.1) would enable the skills sector to learn how performance data is being used (or misused), and to continue to adjust these policies to deliver maximum benefit. The inbuilt evaluative capacity of FutureSkills Insights would be part of a shift towards a ‘learning system’.

What we heard

Provider performance is perhaps the most contentious area of data transparency. In making recommendations on this issue for VET providers, the Review carefully weighed the needs of Victorian students and industries with concerns, which were expressed by the full diversity of VET stakeholders – from private providers to unions – about public release of data. On balance, the Review concluded that arguments to improve transparency of quality data are sound, but that reforms must be designed and implemented with strong sector input.

¹⁴³ DET Administrative Data (unpublished).

At face value, it makes sense for prospective students to have information about provider quality. A large body of evidence shows that Australian students struggle to select a VET provider on the basis of quality.¹⁴⁴ Internal government advice highlights that:

Consumers would like to access and compare the information they need for training decisions as easily as they can for other services they regularly interact with, such as restaurants or travel. When consumers are easily able to compare training organisations, they are also likely to make training organisation choices that they are satisfied with.¹⁴⁵

Publication of VET provider performance data has also been recommended in past advice to the Victorian Government:¹⁴⁶ in the Joyce Review;¹⁴⁷ and by the Productivity Commission.¹⁴⁸ Current and prospective higher education students in universities, private providers, and some TAFEs that deliver higher education can compare institutions based on the student experiences and quality outcomes collected in the Quality Indicators for Teaching and Learning surveys.

However, the Review recognises that rating the quality of education and training provision is far more complex than it may first appear. The experience of the MySchool website for Australian schools shows that publication of performance data does not always achieve its desired effects – and may even have adverse consequences if it encourages education and training providers to narrow their priorities. Any release of public data on provider performance must therefore be approached with great care.

Nevertheless, one of the strongest reasons for pursuing reform in this area is the vacuum that is created when provider performance data is *not* shared. If no reliable quality indicators are available, students are left vulnerable to marketing, misinformation, subjective peer opinions¹⁴⁹ (which might reflect individual experiences, not actual quality), or the lure of lower fees. Research has found that students do not necessarily consider quality when selecting a provider unless prompted to do so,¹⁵⁰ and may only discover that their course is low quality after the decision is made – or when they discover that employers have ‘blacklisted’ their provider when they try to find work. Lack of information also sends the wrong signal to providers aiming to attract students, and may drive competition on the basis of fees.¹⁵¹

¹⁴⁴ For example: Brown (n 137); Braithwaite V (2017) *How do we Support Quality Teaching in Australian VET?* The Australian TAFE Teacher (Autumn) 23; and DET Administrative Data (unpublished).

¹⁴⁵ DET Administrative Data (unpublished).

¹⁴⁶ ____ (2015) *Review of Quality Assurance in Victoria’s VET System*, prepared by Deloitte Touche Tohmatsu for the Department of Education and Training, Victoria.

¹⁴⁷ Joyce S (2019) *Strengthening Skills: Expert Review of Australia’s Vocational Education and Training System*, Australian Government Department of Prime Minister and Cabinet, Canberra.

https://www.pmc.gov.au/sites/default/files/publications/strengthening-skills-independent-review-australia-vets_1.pdf

¹⁴⁸ ____ (2020) *National Agreement for Skills and Workforce Development Review – Interim Report*, Productivity Commission, Canberra. <https://www.pc.gov.au/inquiries/current/skills-workforce-agreement/interim/skills-workforce-agreement-interim.pdf>

¹⁴⁹ Brown (n 137).

¹⁵⁰ Ibid.

¹⁵¹ Lee WS and Polidano C (2010) *Measuring the quality of vocational education and training using the Student Outcomes Survey*, prepared by the Melbourne Institute of Applied Economic and Social Research for NCVET.

<https://www.ncver.edu.au/data/assets/file/0023/9707/measuring-the-quality-of-vet-2327.pdf>



On balance, then, the Review recommends cautious steps towards greater transparency of performance data, taken in close consultation with the sector. It also recommends ongoing monitoring of how much data publication is influencing student choice. A recent evaluation of MySchool found that few families used performance measures to choose a school (although they still placed intrinsic value on transparent school information).¹⁵² This demonstrates that the risks created by publication of provider data must be balanced against reliable evidence of whether policy goals are being achieved.

Recommendation 2.5 – Establish a culture of continuous learning

FutureSkills Victoria should:

- Establish a culture of continuous learning in the Victorian skills sector by:
 - creating an insights liaison function within FutureSkills Insights to connect sector leaders with the best evidence and data to inform their practice
 - integrating an expanded VET Development Centre (VDC) into FutureSkills Victoria to connect practice insights to teacher professional learning
 - activating research capability within the skills sector
 - modelling and supporting a learning culture in all FutureSkills Victoria activities.

What this involves

FutureSkills Insights would seek to equip the skills sector over time to become a *learning system*. Learning systems embrace change and innovation as opportunities to learn, without losing sight of their core purpose.¹⁵³ They have cultures of flexibility and entrepreneurship and are open to new ways of achieving their goals. The Review was heartened to encounter this mindset among the best teachers and leaders in the skills sector, and applauds the role models and inspiration they provide to their students.

To build a learning system based on experimentation requires trust between all players, and enough accountability to ensure that new ideas are rigorously tested and adapted. It requires, on the one hand, a resistance to reckless change without a strong evidence base, and on the other, a constant push against the forces of bureaucratic inertia that can stifle innovation. Developing such a system and culture is not easy, yet the investment returns substantial ongoing dividends in innovation and growth.

¹⁵² Loudon W (2019) *NAPLAN Reporting Review*, prepared for the COAG Education Council.

<http://www.educationcouncil.edu.au/site/DefaultSite/filesystem/documents/Reports%20and%20publications/NAPLAN%20Reporting%20Review/Final%20Report.pdf>

¹⁵³ Noveck BS and Glover R (2019) *Today's Problems, Yesterday's Toolkit*, the Australian and New Zealand School of Government (ANZSOG). <https://www.anzsog.edu.au/preview-documents/publications-and-brochures/5425-today-s-problems-yesterday-s-toolkit/file>

FutureSkills Victoria would champion this culture in the Victorian skills sector, with support from outstanding leaders among providers, industry, unions and community groups. The response to COVID-19 has brought innovative capability to the fore in a way that the sector has never seen before, while sharpening its focus on what matters most: its students. The sector's COVID-19 response will offer many lessons about its strengths and weaknesses.

FutureSkills Victoria would aim to make innovation and learning business-as-usual for the skills sector. Its collaborative model would unleash a wide range of bottom-up and incremental experiments and improvements that the organisation would analyse and learn from. This learning function would drive both policy and practice, in contrast to 'set and forget' policies that do not adapt to insights emerging from their implementation.

Establish an insights liaison function within FutureSkills Insights

FutureSkills Insights would include a dedicated 'insights liaison' team that can help FutureSkills Labs (see 4.1), local planning groups and providers to put evidence to use. The approach is modelled on the Ontario health sector's Rapid-Improvement Support and Exchange (RISE)¹⁵⁴ initiative, which makes experts available to interpret and translate system evidence and data. Under RISE, regional health teams are provided with 'rapid learning and improvement assets' and expert support. To reinforce this approach, the Ontario Government has committed to policy and regulatory responsiveness, informed by real time community feedback, to more quickly reduce barriers and take innovations to scale.

Integrate the VET Development Centre (VDC) into FutureSkills Victoria

Teacher professional learning is an essential component of a learning system. Victorian skills providers already benefit from the VDC's leadership of professional learning, which enjoys a high level of respect and recognition. The Review recommends locating the VDC within FutureSkills Victoria to enable it to draw on data and learning about practice gained through FutureSkills Insights, and to incorporate this new knowledge into its expanded suite of teacher professional development (see 6.6).

Two leading Victorian TAFEs suggested that an expanded VDC would be best located within a wider independent agency.¹⁵⁵ The VDC should remain a distinct entity within FutureSkills Victoria, as a public company limited by guarantee, with the Minister for Training and Skills as sole member. However, it should be governed by the FutureSkills Board, in order to embed its activity within the organisation's collaborative structures. The expanded VDC would demonstrate FutureSkills Victoria's commitment to teachers across the skills sector and provide evidence-informed learning to all VET teachers, including ACFE, across the state.

¹⁵⁴ ____ (2019) *RISE Overview*, McMaster Health Forum, Rapid Improvement Support and Exchange: visited 23 August 2020 at <https://www.mcmasterforum.org/rise/learn-about-rise/overview>.

¹⁵⁵ Submission 020 BKI; Submission 033 Holmesglen Institute.

Activate research capability within the skills sector

Teachers in the skills sector generate new knowledge in their everyday work. Many teachers work with industry to develop detailed knowledge of ‘what works’ in getting Victorians into training and skilled employment. Particularly promising practices have emerged in relation to local communities and specific student demographics.¹⁵⁶ The VTA observed that Victoria has only just begun to realise the potential for VET and industry research collaborations to create knowledge and new jobs:

Partnerships for industry-driven innovation - the value of applied research in public VET institutions such as TAFE for local businesses, economies and students is gaining recognition. International examples demonstrate how research partnerships between public education colleges and local businesses have led to significant and sustained technical and social innovation.¹⁵⁷

Activating research capability in the skills sector also means helping teachers and leaders to use local, system and international evidence to improve every aspect of their work. This is best achieved by helping providers access research and data and translate it into their local contexts. Some sector leaders also have connections to international expertise.¹⁵⁸ In FutureSkills Labs, (see 4.1), providers would have access to leading industry practices.

The Victorian Government has signalled its commitment to university research through its support package for Victorian universities.¹⁵⁹ The Government’s evolving relationship with universities presents an ideal opportunity for FutureSkills Victoria to also champion research collaboration across universities, VET providers, industry and community organisations. Applied research creates innovation; and innovation creates jobs. Victoria can lead Australia in recognising this opportunity.

Maximise the learning that occurs within FutureSkills Victoria’s collaborative approach

The culture of learning that FutureSkills Victoria would lead underpins all recommendations in this report. Many proposed reforms would generate opportunities for system learning, which in turn would guide successful policy design and implementation. Specific proposals with potential to create new knowledge include:

3.1 – Pricing/funding for quality: Greater evidence and transparency about the real costs of quality provision would inform new VET funding models and fairer pricing for students.

4.1 – FutureSkills Labs: These new bodies would connect leading TAFEs and expert educators with frontier industry practices and technologies in sectors with large skills needs.

¹⁵⁶ Submission 022 AMES Australia; Submission 077 La Trobe University.

¹⁵⁷ Submission 125 Victorian TAFE Association.

¹⁵⁸ Submission 043 PICAC.

¹⁵⁹ _____ (2020) *Support package for universities*, Department of Education and Training, Victoria.

<https://www.education.vic.gov.au/training/Pages/covid-support-universities.aspx>



5.1 – Expanded Skills and Jobs Centres: The expanded Centres would develop and share insights into the skills needs of local communities.

6.1 – Development of shared curriculum, including assessment: Professional learning communities would be created to review and update shared curriculum.

6.5 and 6.6 – Teacher professional learning: Teachers would learn continuously from experts, industry and each other.

6.8 – Data-driven continuous improvement within providers: In a more mature learning system, providers would take responsibility for evidence-informed improvement. A regulatory approach that facilitates localised and specialised solutions can help them do so.

Taken together, the package of reforms presented in this report have potential to create lasting capacity to learn and adapt across the skills sector. The reforms can make the sector the innovation engine-room of an adaptive, resilient and future-focused Victorian economy.



3. Shared investment: Supporting lifelong learning for all Victorians

Victoria's recovery and rebuilding will require a large increase in investment in skills. The VET system, already challenged before COVID-19, will feel pressure from a backlog of existing students who need to complete their courses, from Victorians who have lost their jobs and need to reskill, and from new school leavers. There will also be an urgent need to confront the changing needs of the post-COVID economy. Meeting this challenge requires a shared recognition that world-leading skills systems are built on adequate and sustainable co-investment from governments, individuals, and firms.¹⁶⁰

The current costs of training are met in different ways. Students contribute through fees, and governments contribute through grants, subsidies and concessions, and providing student loans. Employers invest directly in training, provide in-kind support through on-the-job learning, and allow workers to take time off while training. Education and training providers themselves are not just recipients of investment, but also re-invest in delivering skills by cross-subsidising courses, including through fee-for-service training. And teachers invest their own time in upgrading their skills.

As these contributions show, skilling Victoria is a collective undertaking. Yet the level and logic of these contributions are neither clear nor widely understood. Students pay vastly different amounts for the same course. Providers are not aware of the basis on which subsidies are set. The value of employer contributions is not known.

The absence of transparency has created ongoing difficulty in adequately funding the Victorian skills system. The failure has particularly affected TAFEs, whose unique role as public providers incurs additional costs that have not been adequately recognised. TAFE Gippsland spoke for many TAFEs when it argued for a new funding model:

Government recurrent funding must be stable and linked to world class quality training rather than the containment of costs. VET funding has not kept pace with the costs of delivery and does not recognise the role of the public provider to have community responsibilities, maintain physical presence, ensure digital connectivity for all staff and students and meet governance requirements. Urgent reform of the funding model is required.¹⁶¹

Providers appreciated the renewed investment in the sector made in the 2016 Skills First reform package, but many still felt that the Victorian Government 'had not gone anywhere near far enough to enable better sustainability and stability of the sector'.¹⁶² Recent investment has stabilised the network but has not provided a sustainable, long-term solution.¹⁶³ ACIL Allen analysis notes that a

¹⁶⁰ ____ (2019) *OECD Employment Outlook: The Future of Work*, OECD, Chapter 6. <https://doi.org/10.1787/9ee00155-en>

¹⁶¹ Submission 098 TAFE Gippsland.

¹⁶² Submission 080 Federation University.

¹⁶³ Submission 123 Melbourne Polytechnic.

key consideration of any new funding model is that it recognise and reflect the special role of TAFE, its additional responsibilities and cost structures.¹⁶⁴

Funding needs to meet the real costs of quality education and training to ensure that public providers can ‘make ends meet’.¹⁶⁵ There is also too little transparency about the outcomes that investment in the skills sector aims to achieve, and weak incentives for innovation and collaboration.¹⁶⁶ These problems are not confined to the TAFE network, but have also affected ACFE providers.¹⁶⁷

This chapter revisits many issues in VET funding that have been the subject of previous reviews yet remain largely unresolved. As with other proposals in this report, solutions will require a willingness to go beyond tinkering with a system that lacks a clear investment logic, and to fundamentally shift the way funding is designed. The Review proposes that FutureSkills Victoria lead a new approach to the system's investment needs, resting on collaboration, transparency and a fair deal for all providers.

The flagship proposal is ‘funding for quality’ for the TAFE and training sector (with potential to expand the model to the ACFE sector over time). Funding would be developed through the use of collaboration to generate a set of transparent and regulated base prices that reflect the efficient cost of quality provision. A new fee regulation system would ensure fairer fees for students. Eligibility for funding is another important component in the VET budget, and the Review recommends a substantial review of eligibility restrictions that are locking students out of training, beginning with those unemployed or underemployed as a result of the COVID-19 crisis, or who need foundation skills to equip them for lifelong learning.

The Review also proposes the creation of a FutureSkills Innovation Fund to replace current Victorian Government grants programs for specialist projects. The Fund would provide ongoing access to a pool of stimulus investment to enable providers, industry and communities to work together on innovation projects.

Finally, this chapter recommends the Victorian Government encourage the Commonwealth Government to consider a new universal system of Lifelong Learning Accounts (LLAs). COVID-19 has revealed that large numbers of Victorians are trapped in low-paid, precarious work, often working multiple jobs at once, with few opportunities to reskill or upskill. LLAs would aggregate regular Australian government, worker and employer contributions to support all workers’ access to learning throughout their working lives, thereby improving their employment prospects and long-term economic security.

Taken together, this package of proposals would transform the way that lifelong learning is funded in Victoria, and create a skills sector in which quality learning is accessible to all. The collaboration

¹⁶⁴ ____ (2020) *Funding the TAFE and Training System – Phase Two of Review VET Pricing and Funding in Victoria*, Interim Report, prepared for the Review by ACIL Allen.

¹⁶⁵ Submission 033 Holmesglen.

¹⁶⁶ Submission 070 AEN.

¹⁶⁷ Submission 095 ACEVic; Submission 051 Neighbourhood Houses Victoria.

that drives the proposal creates the conditions for a viable and sustainable model of VET funding that the sector will support.

Recommendation 3.1 – Develop a new model for financing the VET system

FutureSkills Victoria should:

- Develop an understanding of costs, subsidies, prices, loadings and concessions to enable the Victorian Government to produce a new VET funding model linked to the development and delivery of the Victorian Skills Plan.
- Support the development of a new VET funding model that:
 - is guided by a published set of principles that seek to strengthen the quality, efficiency, stability, transparency and equity of funding
 - aligns payments to providers with the Victorian Skills Plan
 - allocates payments in a way that respects and sustains the strengths of both public and private providers
 - establishes an independent, transparent methodology and process to inform a set of base costs for all publicly funded courses and qualifications
 - indexes subsidies annually, and reviews the actual costs of delivery at least every three years
 - recognises the basis of the cost differentials between public and private providers, and the unique role envisaged for TAFEs
 - shifts to funding delivery on the basis of course or qualification costs, rather than paid hours
 - ensures that fully funded and free foundation skills courses are accessible to all Victorians who need them at any time in their career.
- Establish a FutureSkills Innovation Fund to enable providers, industry and communities to work together on innovation projects.

What this involves and what we heard

Current subsidies for VET courses often do not reflect the real costs of quality provision. Despite recommendations in the 2015 Mackenzie Review to base government subsidies on an ‘efficient and effective price’,¹⁶⁸ this Review heard overwhelming evidence from across all parts of the sector that subsidies fall short of actual delivery costs.

The result is a perverse incentive for providers to choose courses that make a profit rather than meet students’ needs. One TAFE, for example, described how a \$3-an-hour funding rate made the

¹⁶⁸ Mackenzie B and Coulson N (2015) *VET Funding Review Final Report*, Department of Education and Training, Victoria.
https://www.education.vic.gov.au/Documents/about/department/VET_Funding_Review.pdf

Certificate III in Hospitality impossible for them to deliver,¹⁶⁹ despite strong demand for these skills in its market.¹⁷⁰ Disconnections between central supply-and-demand data and local markets mean that reductions in subsidies for ‘low-demand’ courses create anomalies for local communities.

The Review sees an urgent need to reach a shared understanding of the costs of quality VET provision in consultation with providers, industry and communities. This approach would follow a broad trend across governments to fund more services by setting a base price, informed by an assessment of the reasonable cost to deliver the services at a quality standard.¹⁷¹ Establishing transparent prices will help secure acceptance, confidence and trust from public and private providers, and from governments and the community.

It is proposed that FutureSkills Victoria would lead development of this model, employing its connections across providers, industry and other VET stakeholders. To provide preliminary guidance, the Review and the Department of Education and Training commissioned ACIL Allen Consulting to collect and analyse data on the real cost for a number of providers and high-quality courses of delivering training. The research brought to light the differences in costs, fees and subsidy rates in order to reach an understanding of the real costs of quality provision. Pricing for quality also requires reaching agreement on what quality provision entails, a process that would be guided by FutureSkills Victoria’s focus on outcomes as set out in Chapter 1.

The Review proposes a principles-based approach to the VET funding model. It aims to provide clear direction and coherence, whilst recognising that government will have responsibilities on policy and funding parameters, which can be determined only after further deliberation with other stakeholders, including the Commonwealth Government. In considering the principles that could guide a new funding model, ACIL Allen proposed the following:¹⁷²

¹⁶⁹ Non-traineeship subsidy rate is \$3 an hour for the Certificate III in Hospitality.

¹⁷⁰ Submission 084 Name withheld.

¹⁷¹ For example, the Independent Hospitals Pricing Authority and the School Resourcing Standard.

¹⁷² ____ (2020) *Costing VET Delivery*, Final Report, prepared for the Review by ACIL Allen.

Table 1: Funding objectives and principles

Objective	Description	Principle
Quality delivery	Funding supports the delivery of quality training	Funding should be sufficient to support quality teaching and learning
	Cost reflectivity	Funding bears relationship to the efficient costs of delivering training
Funding levels should be differentiated where merited by provider circumstances or obligations		
Funding should account for all costs incurred to support viability , including direct costs, overheads and infrastructure		
Funding should be transparent and understandable, and reviewed periodically to reflect major cost increases		
Equitable sharing of costs	The cost of training should be shared equitably between students, government, and employers	Funding contributions should consider public and private benefits to training
		Funding contributions should be commensurate with the training setting and pathways
		Funding contributions from government should be financially sustainable
Access and participation	Funding should support access and participation	Funding settings should encourage participation by students by removing barriers to access
		Funding should consider the special needs and supports required by disadvantaged students to succeed

Submissions to the Review pointed to the key principles outlined below.

Understand the real costs of quality delivery

The Review believes that a reliable and robust picture of provider cost bases is required to inform funding. Identifying the real costs of quality delivery can not only inform policy decisions but also enable consideration over time of how to better manage system costs to maximise economic and social returns from a given level of investment. It is also essential to understand the cost differentials between different types of providers and their contexts¹⁷³ and resources for course delivery and student support.¹⁷⁴

¹⁷³ Submission 125 VTA.

¹⁷⁴ Submission 123 Melbourne Polytechnic.



The findings of the ACIL Allen costings analysis reinforce themes raised by stakeholder submissions.¹⁷⁵

- High-level costs vary by course (with findings consistent with prior work on VET funding by Mackenzie),¹⁷⁶ which also showed greater variation in subsidies in Victoria than in NSW
- Most courses have an hourly cost that exceeds the Skills First subsidy rate, partly reflecting an expectation that fees providers charge students will help to recover costs
- The largest component of cost is shared costs,¹⁷⁷ which are provider-level costs rather than course-level costs, although allocations are based on hours per enrolment
- Analysis of shared costs also shows that these vary most, with private providers in particular having both very low and very high shared costs
- TAFE and dual sector universities have much higher student support costs, while TAFEs also have higher costs relating to government compliance, and for maintenance of buildings and infrastructure.

The ACIL Allen costings analysis found that VET business models were very tightly managed, with large allocations of overheads and paid hours to course costs making their pricing efforts difficult. ACIL Allen also suggests, as has NSW's Independent Pricing and Regulatory Tribunal, that a more transparent set of base prices and subsidies should be represented on a per-course or per-qualification (rather than paid hours) basis.

Given the demands facing the VET sector, the Review proposes development of a new quality-based funding model. This should allow for further analysis to inform the Victorian Skills Plan, and also enable complementary work by the National Skills Commission over this period to inform development of the model. The approach may involve a direct costing of quality provision, or an adjusted costing that assumes private contributions and organisational efficiencies. It is proposed that FutureSkills Victoria would lead this work on behalf of the Victorian Government, who would retain responsibility for determining the overall VET budget.

Achieve funding stability to enable planning and innovation

The variability in VET funding has undermined its confidence and efficiency. While Skills First reforms have brought greater stability,¹⁷⁸ more is needed. For example, in 2018 TAFE Gippsland estimated that one-off funding amounted to 43 per cent of its operating revenue.¹⁷⁹ This irregular

¹⁷⁵ ACIL Allen costings analysis is based on an examination of costings data relating to 6 diverse and large-volume qualifications across 6 TAFEs and 9 other providers.

¹⁷⁶ Mackenzie B and Coulson N (2015) *VET Funding Review Final Report*, Department of Education and Training, Victoria. https://www.education.vic.gov.au/Documents/about/department/VET_Funding_Review.pdf

¹⁷⁷ Shared costs are provider-level costs that are not attributable to course delivery but still need to be recovered. They include student supports (costs associated with supporting quality delivery to students, such as libraries and services for special cohorts), government and regulatory costs (compliance, regulation and other government and information reporting requirements), building costs (such as for maintenance and repairs), and the residual costs associated with running the training arm of the organisation (eg marketing, human resources, and finance).

¹⁷⁸ Submission 048 WAI.

¹⁷⁹ Submission 098 TAFE Gippsland.

funding compromises providers' ability to retain staff and encourages a focus on short-term planning, especially when changes to funding and fees are implemented without adequate notice.

Transparent subsidies based on the costs of quality provision would lead to greater stability. The Review recommends updating detailed course-level and qualification-level base costs every three years, unless a strong case is made for revisiting a costing in the interim. New courses or qualifications would have their cost base assessed as part of their first annual planning process, and join the three-yearly review cycle. Subsidies should be indexed on an annual basis, to ensure that VET funding keeps pace with increasing costs. The process led by FutureSkills Victoria would also be reviewed on a similar three-year cycle, in order to ensure its relevance and effectiveness within a more stable and transparent system.

Over time this approach would bring consistency and regularity to the rolling Victorian Skills Plan (see 2.2). It would limit *ad hoc* adjustments to funding settings that have made providers risk-averse and ultimately shifted risks both to students not equipped to carry them and to employers frustrated by the quality of graduates. An efficient and quality-based set of base prices would form a predictable foundation of VET funding. Any variation to base costs would need to be justified to maintain the confidence of the system.

The regular collection of evidence from providers about course costs would also build trust between governments and providers. Governments will always have a responsibility to effectively forecast and manage budgets, but doing so deliberately and with fewer surprises would enhance stakeholder confidence. Irrespective of the level of funding, value for money would be better served by more systematic use of information and data to inform funding and purchasing processes within the skills system.

Achieve transparency and accountability in the goals of investment

Victoria's TAFE network is awash with a 'myriad of funding programs'¹⁸⁰ that confound clarity about the purpose of investment, and compromise accountability and oversight. Wodonga TAFE argued:

The complexities of the current funding model (even for a highly experienced and skilled Board) ... are incongruous with both the financial oversight obligations of the Board and the efficient financial management by the Executive team.¹⁸¹

A simplified, transparent approach would create a cohesive (rather than program-based) funding model that is easily understood by providers, industry and Victorian communities, and is linked to clear expectations for performance and accountability.

ACIL Allen's analysis points to the need to develop a costing model based on quality delivery, and a funding model that includes government subsidies and co-contributions from students (via fees), and employers (via industry partnerships and programs or matched funding) in line with private

¹⁸⁰ Submission 020 BKI.

¹⁸¹ Submission 073 Wodonga TAFE.

benefits. This funding model would recognise the need for adjustments for specific requirements to reflect the special role of TAFE, community service obligations, and funding for specific public priorities, for example.

ACIL Allen also recommends using regulatory processes and contract management, rather than pricing alone, to drive quality. The Review proposes a clear, coherent funding model that works in tandem with the Victorian Skills Plan (see 2. 2), ensures quality product can be delivered, and identifies the variable, fixed, specific purpose and facilitation payments made to VET providers. This would involve:

- *Activity-based payments* for the costs of delivering particular courses or units, using up-to-date, benchmarked and provider-neutral prices. Payments include any equity loadings required to meet the costs of different course, provider or student characteristics. (Many regional TAFEs raised the need for additional regional loading.)
- *Availability payments* for providers who are required to guarantee access to infrastructure, facilities or services as part of their public role when such provision does not generate market returns. This requirement may include long-lived investments in public buildings and equipment, along with wider community service obligations (CSOs) that require investments ‘just in case’ rather than ‘just in time’. (The Brotherhood of St Laurence was strongly in favour of targeted CSO funding for vulnerable groups.)¹⁸²
- *Specific purpose payments* for providers who meet specific public needs, such as servicing ‘thin markets’ where quality delivery is feasible but not at the base price (which would be considered as part of the Victorian Skills Plan), or innovation that benefits the whole system (which would be supported through the FutureSkills Innovation Fund).
- *Facilitation payments* for providers who are required to engage in shared planning and development, or to support major system transitions in the public interest. These payments recognise that being a part of the public system may impose costs, including higher labour and compliance costs and costs involved in transitioning to shared services.

To be clear, the proposed approach builds on rather than replaces current arrangements. It would emphasise the way in which use of evidence and data and sector engagement drive change through: (i) a strategic consideration, aligned with industry policy, of the full range of evidence and data on skill shortages and future skills needs; (ii) detailed and validated analysis of the actual costs of quality delivery, in order to ensure that funding is adequate to support quality; (iii) a process for developing the Victorian Skills Plan that engages providers, industry and communities as strategic partners; and (iv) a rigour and transparency that support all stakeholders to plan and act confidently.

The Review also recommends that the funding model respects and enhances the strengths of both public and private VET providers. On this point, the Review differs from the Productivity Commission’s 2020 Interim Report on the national VET funding agreement. That report argues that community service payments should be fully contestable, so that any provider can access them.

¹⁸² Submission 072 BSL.

This view not only seems wilfully blind to how the VET system has evolved over the past decade but also seems to adopt competition as the goal in itself.

The Review strongly supports the position of the Victorian Government, which has been clear that it favours the prominent role of TAFE in its VET system. The system's experience over the past decade has produced a loss of faith in pure market models of the kind promoted by the Productivity Commission. Effective system stewardship would call out the unique role of public interest providers, and fund them adequately to carry out this role, including when they are required to deliver Community Service Obligations (CSOs).

The Review considers that CSOs should be delivered impartially by providers with a public interest ethos. Whether delivered through TAFEs, Learn Locals or not-for-profit providers, the services should always be focused on what Victorian communities need.

The Review agrees with the Productivity Commission on one important point: various types of payments to providers lack transparency and clear methodologies. Only transparent and adequate VET funding can encourage providers to develop flexible, efficient training models that meet the needs of their students, industry and communities, and can be sustainably financed over time. Transparency about VET funding models across all Australian jurisdictions would also enable them to learn and borrow from each other.

Prioritise investment as part of a broad-based strategy to meet skills needs

A balance must always be found between government subsidy levels to ensure quality, private (student and employer) contributions, and the degree of participation that a given level of funding can support. However, these tensions are resolved, clear policy principles should provide a shared and accepted basis for how contributions from governments, employers and students reflect the benefits that flow from training and the risks different parties are being asked to assume.

Many submissions shared Box Hill TAFE's view that funding should be tied to priority skills:

The Government should prioritise funding for both VET and HE courses directly linked to current and future job outcomes and industry / community needs.¹⁸³

While the Review recognises that subsidies are among the tools governments have to attract students to priority courses, recent experience confirms the folly of assuming that incentives alone will resolve skill shortages. For instance, skills shortages in many parts of the 'care economy' are likely to reflect low wages, unpleasant or challenging aspects of the work, and limited career prospects, pathways and mobility. Subsidies deployed in such circumstances are likely to be only part of any solution, and are unlikely to work in isolation from other industry policy measures.

Public subsidies should be based not only on job vacancies but on a broad consideration of their practical value across the economy, labour market and society. Subsidies will inevitably also be

¹⁸³ Submission 009 Box Hill Institute.

informed by the policy priorities of elected governments. In work undertaken for the Review, AlphaBeta identifies a number of industry areas in which planning to address current and projected skills shortages, and to align skills investment with industry opportunities, can accelerate growth and shape the future economy. Chapter 4 explores these in more detail.

Fully funded and free foundation skills courses for all Victorians who need them

It is widely accepted that, other things being equal, subsidies should be higher for lower-level qualifications that generate lower private returns. This is the basis of the broadly agreed national approach that initial post-school qualifications up to Certificate III level should be free. The Review recommends that subsidies reflect the real cost of quality delivery of relevant foundation skills courses that enable workforce participation. Organisations who understand the needs of vulnerable Victorians put this position strongly.¹⁸⁴ The Review recommends that foundation skills courses (pre-accredited and accredited) be available to anyone who needs to undertake them, at no charge.¹⁸⁵

The Review heard that some foundation skills courses are not adequately funded, and that discrepancies exist between subsidy rates for courses targeting similarly vulnerable groups:

The Victorian government funded courses subsidy for CGEA is \$7.00 per hour, while the Course and Certificate I in Initial Adult Literacy and Numeracy pays a \$14.00 subsidy in recognition that people who enrol in the CIALN have multiple and complex needs because of a permanent cognitive impairment / intellectual disability. Most people who enrol in the CGEA have additional needs, and have many barriers to successful engagement in adult education.¹⁸⁶

Funding constraints have further limited access to foundational learning, since many TAFEs no longer deliver stand-alone courses in essential language, literacy and numeracy (LLN) skills.¹⁸⁷

To provide certainty for Victoria's most vulnerable learners and the providers who serve them, such anomalies should be addressed. The identified cost of quality delivery could provide the basis for the subsidy rate to meet these costs, with appropriate loadings to recognise providers serving especially vulnerable cohorts. Access to free and fully funded foundation skills courses could be determined on the basis of needs and readiness, so that support is targeted to those who need it and can most benefit from it.

Invest flexibly and sustainably in innovation

The funding model proposed above can improve transparency and reduce uncertainty for providers, but it will not alone produce the step-change needed to achieve the outcomes of

¹⁸⁴ Submission 099 VCOSS; Submission 103 Jesuit Social Services.

¹⁸⁵ Foundation skills courses/training include pre-accredited and accredited courses in language, literacy and numeracy; English as an additional language; Aboriginal culture, history and community; and access and employability skills.

¹⁸⁶ Submission 121 Victorian Adult Literacy and Basic Education Council (VALBEC).

¹⁸⁷ Submission 039 VicTESOL.



relevance, quality and equity. Without investment in innovation, the skills sector cannot realise its potential in the Victorian economy. Government investment should promote an innovation culture, and forge approaches that can be shared in a more structured way across the system and state.

Accordingly, the Review proposes a new FutureSkills Innovation Fund that would support industry, communities and training providers to take new approaches to skills development, training methods and product design. The Fund's criteria would emphasise relevance by requiring that projects address real industry or community challenges, and share lessons learned with the system via FutureSkills Insights, and with the sector's workforce via the VDC.

The FutureSkills Innovation Fund would address two major barriers to skills for innovation. The first is that VET providers – especially TAFEs – are not sufficiently resourced to innovate:

Streamlined funding would lead to increased investment in teaching practice and vocational education research, greatly affecting our capacity to build knowledge, renew educational practices and adapt as society and industry change. We would be resourced to innovate.¹⁸⁸

TAFE Gippsland argued that funding to improve innovation capability should be part of a new provider funding model.¹⁸⁹ While the Review acknowledges the importance of institutional autonomy to produce innovation, short-term pressures, medium-term reform needs and long-term budget constraints make it unlikely that autonomy alone would drive the behavioural and cultural shifts needed to create a more collaborative, innovative skills system. The new Fund should be managed to not only resource, but incentivise, innovation.

The Future Skills Innovation Fund should also improve upon the limitations of the Workforce Training Innovation Fund (WTIF). The WTIF is a targeted investment program that reflected a shift, inherent in *Skills First*, from a wholly 'market-led' system to one that encourages collaborative innovation. Underpinning both the WTIF and the Regional and Specialist Training Fund (RSTF) is the notion that the system must actively empower providers to innovate with others in order to achieve better relevance, quality and equity in the system; and that with this empowerment comes a responsibility to share insights.

The FutureSkills Innovation Fund would improve on the WTIF and RSTF by ensuring the availability of ongoing innovation and specialist project funding, with clear links to mechanisms to scale up the most effective innovations through FutureSkills Victoria. This approach would address questions raised in submissions about the 'ongoing benefits' of the WTIF, by continually evaluating the impact of investments through the FutureSkills Insights platform.

Importantly, the new FutureSkills Innovation Fund would be reserved for boundary-pushing projects, not business-as-usual provision. Internal government advice indicates that RSTF grants were being used to meet needs that would have been better met through core funding.¹⁹⁰ The

¹⁸⁸ Submission 084 Name withheld.

¹⁸⁹ Submission 098 TAFE Gippsland.

¹⁹⁰ DET Administrative Data (unpublished).

evidence-informed process of the Victorian Skills Plan would bring transparency to which parts of current RSTF funding should become ‘core’ provider funding, and which should roll into the FutureSkills Innovation Fund.

Link funding to planning

Subsidy rates and targeted investments are only parts of the VET financing picture. Total investment in VET depends on these elements interacting with a broader plan for VET provision. Some submissions raised important issues about the total VET investment package, including caps on student contact hours¹⁹¹ and Free TAFE enrolments.¹⁹² These decisions have significant ramifications both for providers and for the students who access their courses.

The Review recommends that the Victorian Skills Plan (see 2.2) aims to propose more relevant, fewer courses that are funded at a sufficient level to ensure they are high-quality and broadly accessible.

The Plan should also enable investment to consider VET and ACFE together, and potentially higher education over the longer term. The ACFE Board outlined the ‘business case’ for ACFE to deliver lower cost and lower fee courses than VET, with a high return on investment.¹⁹³ Connecting investment to planning means considering the relative merits of all provision options to meet skills needs, and allocating funding accordingly.

More informed and deliberative planning can reduce funding volatility and uncertainty. Of course, governments will still have risks to manage, and need flexibility to respond to unforeseen events. Yet better planning, clearer expectations, and fewer ‘surprises’ can enable providers and learners alike to plan with more confidence and certainty.

Better planning could be achieved through a clearer statement and explanation of the government’s priorities (what it wants from the skills system and the level of funding available), the greater use of evidence, data and insights to inform the planning process so that all parties can plan with confidence, and stronger coordination through FutureSkills Victoria to bring the system’s parts and participants together.

Recommendation 3.2 – Ensure fairness in what students pay

The Victorian Government should:

- Make student payments for VET courses more standardised, transparent and fair by:
 - continuing to use Free TAFE to meet emerging labour market needs in Victoria’s economic recovery
 - introducing full-fee regulation for all other courses receiving public support

¹⁹¹ Submission 095 ACEVic.

¹⁹² Submission 077 La Trobe University.

¹⁹³ Submission 056 ACFE Board.

- as part of fee regulation, put a floor under the base price to prevent providers undercutting fees and reducing quality and a cap on fees to prevent providers maximising profits within a rationed system
- enabling providers to seek approval to deviate from fee regulation when they can make a case based on value for money.
- Commission FutureSkills Victoria to advise on fee regulation as part of its role developing a new VET funding model.
- Exercise caution before expanding student loans for VET students, due to differences in the earnings and risk profiles of VET students relative to university graduates.

What this involves and what we heard

The investments that students make in the skills system – by paying fees and putting the time and effort into training – determine the returns that the economy reaps from the skills sector. At the same time, students’ decision-making is constrained by personal financial circumstances, and the value they see in different training options.

At present, students find it very difficult to make informed decisions about which course to undertake. Fee deregulation has produced a complex and opaque set of prices for VET courses. Students can pay a lot or a little for essentially the same course. The Victorian Trades Hall Council vividly illustrated the discrepancies, even within the TAFE network:

Between TAFE institutes, course costs vary widely. Bendigo Kangan Institute offer a Certificate IV in Disability for \$7,771.30 and Melbourne Polytechnic offer the same course for \$11,500.31. A full-fee, non-subsidised Certificate III in Hairdressing at the Box Hill Institute costs \$12,524.32, and the same full fee course at GOTAFE costs \$10,199.33. Similarly, Victoria University Polytechnic offers a full fee Certificate III in Engineering - Mechanical Trade without subsidy or Free TAFE for \$26,000.34, and The Gordon Institute of TAFE offers the same course for \$18,912.35, a difference of 37.4%.¹⁹⁴

One careers practitioner also described the absurdity of differences in fees between public and some private providers, and the difficulty of explaining to students that the same course can cost between \$3,000 and \$20,000.¹⁹⁵ The Review heard that providers set fees based on many factors, including market analysis, government subsidies, and viability modelling. This extensive process, repeated across providers, helps to make the system inefficient.¹⁹⁶ It effectively removes Government’s capacity to establish and manage course costs, thus reducing transparency and trust in the system.

¹⁹⁴ Submission 109 VTHC.

¹⁹⁵ Submission 058 Mandy Ellwood.

¹⁹⁶ Submission 009 Box Hill Institute; Submission 060 Outdoors Victoria.

Some submissions suggested that providers make their fee-setting processes transparent, to explain why one course costs more than another.¹⁹⁷ While the Review supports the intention behind these proposals, it is concerned that they may drive defensive or promotional behaviours rather than building trust. Government leadership is required to create genuine transparency and shared understanding of what VET courses should cost to students.

Continue to offer Free TAFE to meet priority labour market needs

By introducing Free TAFE for priority VET courses, the Victorian Government made a decisive move to address the way that VET fees influenced student decision-making. Free TAFE saw close to 40,000 enrolments in 2019, its first year, and brought in many students who might otherwise have been deterred by fees:

The fact that [the] course was free was a major factor. If I had to pay for the course then I couldn't have done it.¹⁹⁸

Providers confirmed that Free TAFE had attracted students who would not have otherwise attended TAFE, especially in regional and outer metropolitan areas.

The Review heard calls to expand the Free TAFE initiative. The Apprenticeship Employment Network suggested extending it to some trusted private RTOs in priority industries;¹⁹⁹ while the Mackenzie Research Institute suggested adding undergraduate higher education programs at TAFEs to the list.²⁰⁰ Wodonga TAFE wanted the initiative extended to apprenticeships and traineeships, and even high-priority skills sets.²⁰¹

The message is clear: 'free' has worked to attract more students into training. Yet it is not without risks. The greatest is the impact on quality from a massive expansion of demand.²⁰²

Other adverse impacts included displacing students from Learn Locals (or forcing Learn Locals to also charge zero fees, affecting their viability);²⁰³ failing to prepare students for additional course costs above the waived fees;²⁰⁴ and funnelling students into lower level qualifications, preventing them from progressing to the diploma they need to get a job.

The Review does not see these concerns as reasons to discontinue the Free TAFE initiative. Instead, they point to the need to make policy and implementation planning collaborative and evidence-based, so that perverse incentives can be identified and addressed. This could occur if the impact of Free TAFE were included in the development of the Victorian Skills Plan.

¹⁹⁷ Submission 105 AiGroup; Submission 082 VSC IAG Transport & Logistics.

¹⁹⁸ Student Survey response (2020).

¹⁹⁹ Submission 070 AEN.

²⁰⁰ Submission 27 Mackenzie Research Institute (Part 2).

²⁰¹ Submission 073 Wodonga TAFE.

²⁰² Student Survey response (2020).

²⁰³ Submission 095 ACEVic.

²⁰⁴ Submission 054 Master Builders Victoria.

Introduce full fee regulation for all other publicly funded courses

As ACIL Allen research highlights, ‘history has shown that full [fee] deregulation has had some undesirable outcomes for both students and the training system as a whole, with examples of excess demand and poor quality training being delivered by some providers in a ‘race to the bottom’’.²⁰⁵ This Review proposes more direct management of fees to ensure simplicity and fairness for students, so that ‘price doesn’t become a barrier to accessing VET and to prevent profiteering and overpricing’.²⁰⁶

Outside of Free TAFE, further action is needed to ensure that fees are fair for students. The Review recommends that FutureSkills Victoria develop a simpler, more standardised set of prices for students, as part of its collaborative work to improve VET funding. In making this recommendation, the Review is aware of the Productivity Commission’s view that fixing student fees will stifle competition, inhibit allocative efficiency and reduce incentives to improve the quality of training.²⁰⁷ Yet there is little evidence that deregulated fees have delivered a fairer system, while other states (notably NSW and WA) appear to have pursued fee regulation effectively. Overall, the risks of fee regulation do not outweigh the current risks arising from complex fee structures that providers and learners alike struggle to navigate and understand.

The Review also believes that in the design of a regulated VET structure, consideration is given to the following options to manage risks to the relevance, quality and equity of provision, namely:

- **A process for approving exemptions to prescribed fees.** This would enable providers to argue that an exemption clearly represents value for money (for example, by granting students access to niche expertise or technologies). In such cases, the public subsidy would remain capped and providers would have to commit to an ex-post analysis of value for money. This approach would mitigate the risk of discouraging more efficient or appropriate provision (such as blended delivery), or of discouraging niche provision that might be high value but also higher cost.
- **The suitability of minimum student contributions.** The Mackenzie Review proposed this measure to encourage more engaged decision making by learners. A similar approach was proposed by NSW’s Independent Pricing and Regulatory Tribunal and implemented by the NSW Government, with concession fees ranging from \$100 for a Foundation course to \$500 for an Advanced Diploma. The Review proposes that the review of subsidies, fees and concessions that will inform planning for a new funding model considers this issue. However, it does not support requiring contributions from those undertaking Free TAFE or courses in foundation skills.
- **Fee concessions for students.** These are usually percentage discounts on fees charged to students, to encourage the participation of learners with particular characteristics or needs. Budget constraints demand choices about who is eligible for government-funded concessions;

²⁰⁵ ____ (2020) *Funding the TAFE and Training System – Phase Two of Review VET Pricing and Funding in Victoria*, Interim Report, prepared for the Review by ACIL Allen.

²⁰⁶ Ibid.

²⁰⁷ ____ (2020) *National Agreement for Skills and Workforce Development Review – Interim Report*, Productivity Commission, Canberra. <https://www.pc.gov.au/inquiries/current/skills-workforce-agreement/interim/skills-workforce-agreement-interim.pdf>

nevertheless, free courses might be a preferable strategy for cohorts for whom even discounted fees remain out of reach.²⁰⁸

Exercise caution in considering options for income-contingent VET loans

Some stakeholders saw student loans as the most effective strategy for removing financial barriers to participation.²⁰⁹ Swinburne suggested that Victoria raise this issue nationally:

Swinburne recommends that the Victorian Government use the new National Cabinet to advocate for fair and equitable subsidy and loan schemes across the tertiary landscape, to help remove price as a barrier to entry for students.²¹⁰

Several submissions pointed to other disparities that exist in the public funding provided to VET and higher education.²¹¹ Such disparities can encourage students to choose a sector less suited to them,²¹² encourage providers to offer higher education courses rather than VET,²¹³ and reinforce perceptions of VET as the poor cousin of university. Some stakeholders suggested that Victoria propose Commonwealth support for a joint funding model between higher education and VET,²¹⁴ and for broadening access for VET students to income-contingent loans.²¹⁵

The Commonwealth Government seems to prefer greater use of income contingent loans as its approach to VET financing. There appears to be a reasonable case for a modest extension of loans for higher-level VET qualifications. However, maintaining the integrity of the VET system by ensuring that loans are only available for quality training, while considering the economic security of learners and attending to long-term fiscal risks, is a perpetual challenge.

VET and universities contain learners with different lifetime earnings and risk profiles. In an uncertain economic context, the Review sees a stronger case for increased government investment in VET rather than exposing more VET students to debt. The return on investment would be seen in greater economic participation and increased workforce productivity.

Recommendation 3.3 – Ease eligibility restrictions

The Victorian Government should:

- As a matter of urgency, remove eligibility restrictions on government-subsidised training to support Victorians who are unemployed or underemployed as a result of the COVID-19 crisis.

²⁰⁸ Submission 051 Neighbourhood Houses Victoria.

²⁰⁹ Submission 106 GOTAFE.

²¹⁰ Submission 066 Swinburne University.

²¹¹ Submission 075 RMIT Policy Strategy and Impact.

²¹² Submission 094 University of Melbourne.

²¹³ Submission 105 AiGroup.

²¹⁴ Submission 020 BKI.

²¹⁵ Submission 066 Swinburne University.

- Remove eligibility restrictions that apply to foundation skills courses and provide access to these courses based on learner needs, with appropriate protections for quality.
- Review and reset eligibility criteria for all government subsidised training to improve access and equity, and support lifelong learning, while maintaining high-quality provision across the VET system. In doing so:
 - develop transparent eligibility rules that are focussed both on learners' needs and on economic priorities as determined through the Victorian Skills Plan
 - remove all restrictions based on prior qualifications for learners seeking to reskill or upskill in order to access job opportunities in Victoria's priority industries
 - integrate eligibility rules for access to government-funded training with other reforms that aim to deliver a lifelong entitlement to learning, including Lifelong Learning Accounts as proposed in this Review.

What this involves and what we heard

Determining who is eligible for government support is a balancing act between the needs of learners, the economy and government funding. Governments need to consider whether students and employers would invest in training without government support. Getting the balance right creates opportunities for people; getting it wrong shuts them out of skills and jobs.

Victoria could do more to get this balance right. The Review heard consistent criticisms of the two key rules that restrict eligibility for government-funded VET in Victoria:

- **The 'upskilling rule':** Victorian learners cannot receive funding for courses at a lower Australian Qualifications Framework (AQF) level than their highest qualification. This restriction prevents graduates with higher qualifications from accessing support to reskill, and may have a serious impact in the post-COVID-19 labour market when many qualified Victorians suddenly need to change careers.
- **The 'two-course rules' (or '2 x 2 x 2' rule):** Learners cannot undertake more than two courses in a year, two courses at a time, or two course commencements at the same level in their lifetime. These rules can impede access to critical foundation skills training for learners with low literacy and numeracy levels, or English language learning needs. The rules also do not allow mid-career learners, who obtained qualifications early in their career, to retrain at a similar level to pursue improved job opportunities.

Wrapped around these two-course rules is a complicated web of criteria, exclusions, exceptions and exemptions, each designed to meet a range of policy objectives. Navigating this web is difficult for providers and learners alike, especially the most vulnerable. The rigorous eligibility assessment processes that DET requires of Skills First providers also often trigger evidence requirements and enrolment processes that some learners struggle to meet.

The most common complaint about eligibility rules, after their complexity, is that they are not fit for a future in which all Victorians need to engage in lifelong learning, career changes are expected to be more frequent, and the skills sector needs to be responsive to economic shifts:

The upskilling and two course rules continue to be problematic and absolutely thwarts life-long learning – particularly re-skilling... When we are told that statistically we will have 5-7 career changes in our lives – the upskilling rule seems counter-intuitive.²¹⁶

The two course rules assume a ‘linear’ career through initial qualification to employment to a long period in the same career – as well as a one-way pathway through AQF levels. While historic misuse of training funds justified the existence of eligibility rules,²¹⁷ it is counter-productive for these rules to prevent the skills sector from delivering for Victorians.

Remove eligibility rules immediately for Victorians who are unemployed or underemployed as a result of the COVID-19 crisis

The COVID-19 crisis has thrown problems with the eligibility rules into sharp relief. As more people are displaced in the labour market, many people with qualifications will need to train for new careers. Many amongst this group will have suffered loss of income and will not be in a position to fund training themselves. Labour market instability and disruption to lives and livelihoods may also see Victorians making multiple work transitions before they settle into a new career.

These Victorians will look to Government for help with navigating these difficult transitions. Being shut out from government support – or having to navigate labyrinthine eligibility rules at a stressful time – could damage mental health and employability. Removal of eligibility rules would provide important support to newly vulnerable Victorians, as well as existing vulnerable learners.

The Review recommends removing eligibility rules for all Victorians who are unemployed or underemployed as a result of the COVID-19 crisis, to enable them to access education and training in priority industries and sectors. Existing workers within priority sectors such as disability, aged care and mental health could also be exempted, since some of Victoria’s most critical workers do not receive wages that encourage investment in upskilling.²¹⁸ Exemptions could be reviewed as the economy recovers, and the Victorian Skills Plan emerges (see 2. 2).

The aim should be to ensure that no Victorian in need is excluded from training due to the cost of a course. The thresholds for COVID-affected eligibility could be set to manage the flow of vulnerable Victorians into the skills sector, with careful monitoring to ensure the sector could cope.

²¹⁶ Submission 038 Centre for Continuing Education.

²¹⁷ Submission 024 Ringwood Training.

²¹⁸ Submission 029 National Disability Services; Submission 077 La Trobe University.



Remove eligibility restrictions from foundation skills courses

The Review cannot see any justification for restricting access to funded foundation skills courses for students who need such training.²¹⁹ Students attending these courses are among the most vulnerable and have often been let down by previous experiences in schooling. These courses change lives by giving students basic skills for life, work and learning. The educators who teach them are often passionate about their students' success and they understand the unhappiness that occurs when one is blocked by eligibility rules.²²⁰

Foundation skills courses are already exempt from the 'two courses in a lifetime' part of the eligibility requirements, and from consideration for the 'upskilling' rule if the applicant has a qualification below diploma level. However, the 'two course in a year' part of the rules has impacted learners' ability to mix foundation skills and technical or vocational courses, while further limitations on maximum course hours prevent students from staying longer in their foundation skills course, even if it would benefit them to do so.²²¹

The Victorian Government places a high value on a literate, numerate, employable population. Ensuring access to foundation skills courses for those who need them – for as long as it takes to achieve competency, and at a trusted and approved provider – should be a pillar of an equitable Victorian VET system. Foundation skills courses should be seen as an entitlement, driven primarily by the needs of the learner.

Redesign eligibility rules with the needs of learners in mind

The needs of Victorians who are unemployed or underemployed as a result of the COVID-19 crisis, or who require foundation skills, demonstrate the importance of putting learners first in designing eligibility policies. Beyond its immediate response to the COVID-19 crisis, the Review recommends that the Victorian Government reset all eligibility criteria for VET courses, to create a simpler, more transparent, learner-focused system. 'User testing'²²² could provide more information about particular groups, such as:

- Victorians who undertook VET courses of limited value during the historic period of low-quality provision, who have now 'burned' their entitlement to further training;²²³
- Young people whose first choice of training might not lead to their preferred career, especially as the impact of COVID-19 makes career trajectories less predictable;²²⁴
- Parents returning to work after raising children, who find that their pre-existing qualifications may no longer be in demand;²²⁵

²¹⁹ Foundation skills courses/training include courses in language, literacy and numeracy; English as an additional language; Aboriginal culture, history and community; and access and employability skills.

²²⁰ Consultation with VALBEC (2020).

²²¹ Submission 039 VicTESOL.

²²² *Human-Centred Design Playbook* (version 1.4), Victorian Government. www.vic.gov.au/sites/default/files/2020-06/DDI_HCD%20Playbook_v1.4.pdf

²²³ Submission 112 CFMEU.

²²⁴ Submission 069 SDA National.

²²⁵ Submission 051 Neighbourhood Houses Victoria.



- Mid-career workers reskilling for positive reasons, such as young people returning to rural communities²²⁶ or entering industries that tend to attract an older workforce;²²⁷
- Young people subject to Child Protection orders or who have had contact with the Youth Justice system and who are currently supported through special eligibility programs;²²⁸
- Regional learners and employers living and working close to jurisdictional borders who face eligibility barriers to accessing the training they need in Victoria.²²⁹

A learner-centred approach to eligibility rules would consider the impact on all these learners, and others, in the context of Victoria’s economic and social priorities, informed by current data about the impact of eligibility rules on Victorian industries and communities.

Disconnect eligibility requirements from qualification levels

The ‘upskilling rule’ restricts learners from receiving financial support for a course at a lower AQF level than their highest qualification. This rule prevents many people from undertaking the sort of reskilling that they will increasingly need to enter a workforce undergoing accelerated structural change. It may have a serious impact in the post-COVID labour market, when many highly qualified Victorians will need to change careers.

The rule attracted criticism from universities and TAFEs alike, with the University of Melbourne describing it as ‘an example of policy whose outcomes are entirely detached from its rationale’.²³⁰ TAFE Gippsland noted that:

The funding model must recognise lifelong learning is not linear – a march up the AQF scale – even PhD graduates look to VET for the real skills to work.²³¹

The expectation of a continual climb up the AQF ladder also does not match the aspirations of the many learners and workers who would benefit from acquiring multiple VET certificates over their lifetime, but who are not well-suited to diplomas or degrees.²³²

The Review also sees this rule as contributing to the perception that VET is ‘lower’ than higher education, rather than as a sector fulfilling a distinct role. In the reset of eligibility restrictions proposed above, priority should be given to enabling VET and higher education courses to be undertaken in any order over a lifetime. This would allow Victorians to build a diverse portfolio of knowledge and skills, drawing from all parts of the skills sector. It would also complement proposals

²²⁶ Submission 064 Vic Farmers Federation.

²²⁷ Submission 082 VSC IAG Transport & Logistics.

²²⁸ Submission 108 Centre for Excellence in Child and Family Welfare.

²²⁹ Submission 073 Wodonga TAFE; Submission 007 Cross Border Commissioner.

²³⁰ Submission 094 University of Melbourne.

²³¹ Submission 098 TAFE Gippsland.

²³² Submission 074 RMIT College of Vocational Education; Submission 038 The Centre for Continuing Education; Submission 095 ACEVic.

to improve funding for lifelong learning, including the Lifelong Learning Accounts proposed in this Review (see 3. 4).

Recommendation 3.4 – Finance lifelong learning

The Victorian Government should:

- Advocate for the Commonwealth Government to consider establishing Lifelong Learning Accounts that would:
 - accumulate through the working lives of all workers, and be drawn down to access approved education and training at a time that suits their career needs
 - be fully funded by the Commonwealth for the duration of the economic recovery, recognising the current pressures and insecurities confronting both businesses and workers, and the fact that most fiscal returns from skills-based growth accrue to the Commonwealth
 - require co-contributions from workers and employers once the economy has recovered
 - integrate with other proposals such as digital Learner Profiles, and loan programs such as HECS and HELP, to provide learners with a clear picture of their progress and potential pathways.
- Through FutureSkills Victoria, guarantee young and unemployed Victorians access to supported opportunities to study, work or combine the two.
- Work with the Commonwealth Government to support employers to sustain investment in apprenticeships and traineeships for both current and new apprentices and trainees.
- Develop and fund general or multi-industry pre-apprenticeships and traineeships in priority skills clusters, in collaboration with the Apprenticeship Employment Network (AEN) and TAFEs.

What this involves and what we heard

This Review believes that to meet the constantly changing challenges of the modern workforce, and to ensure the health of the national economy, the Commonwealth could consider a universal system of portable learning accounts, underpinned by a compulsory savings model. Just as superannuation was created to guarantee economic security in retirement, a lifelong learning model could support economic security through working life.

The question of who pays and who benefits must be central to its design. The Review proposes in the long term a system of employer and worker contributions topped up by progressive government contributions to ensure that all workers are building their human capital over the course of their working lives. However, the Review also recognises that employer and worker contributions should be postponed – and costs of the system fully met by the Commonwealth Government – for the duration of the economic recovery.



Lifelong learning is an essential part of a thriving, resilient economy. Cost-shifting and finger-pointing about who is responsible for meeting the costs of education and training should be replaced by a more durable, co-investment approach. This shared investment will be more important than ever, as Victorians need to access more training to play their part in economic recovery and growth.

At present, Australia has no system to ensure that the costs of lifelong learning are shared fairly. A fair distribution of investment would reflect the benefits of lifelong learning that flow to government (representing benefits to the whole community, individuals, and employers). There is no mechanism to underpin training that would produce net social benefits but requires coordination of contributions from workers, employers and governments. This coordination gap leaves many workers – particularly those with weak employment relationships – without the opportunity to reskill or upskill, further fuelling their insecurity in the labour market.

Education and training providers often argue that industry should carry a greater share of the costs of training. The Victorian Trades Hall Council articulated this view:

Any effective vocational education and training system must have employers take proper responsibility to provide paid time for ongoing education and training, which is directly linked to workers gaining accredited qualifications.²³³

At the same time, the Centre for Continuing Education claimed that industry must be able to see clear return on investment, and that VET's reputation has been harmed by 'training for training's sake'.²³⁴ This impasse was evident in consultations for the Review, with industry representatives eager to have better trained workers, but mistrustful of the skills sector's ability to deliver workers who were ready for employment.

Changes to the labour market have also left many workers unable to access employer support to maintain and upgrade their skills. The construction industry is one example:

As the construction industry moves further and further away from standard forms of employment, it is imperative that government and industry create and maintain opportunities for new entrants and existing workers to access VET. In construction this may mean that multiple employers share the costs and responsibilities of upskilling workers and that government provide the incentives and funding flexibilities to enable that sharing to occur.²³⁵

The gig economy has further complicated opportunities for investment in skills, with many workers not being 'employed' directly, but as 'just in time' or self-contracted labour.²³⁶

²³³ Submission 109 VTHC.

²³⁴ Submission 038 The Centre for Continuing Education.

²³⁵ Submission 112 CFMEU.

²³⁶ Submission 056 ACFE Board.

The risk is therefore greater than ever that in a rapidly changing economy, Victorians will fall through the gaps. Governments must insure against this risk by coordinating investment in education and training across the workforce, from employers and individuals. Enabling workers to upskill and reskill as soon as they need to, before they are left behind, would create a fairer, more efficient, skills system.

Work with the Commonwealth to establish a system of Lifelong Learning Accounts (LLAs)

The Review proposes that the Victorian Government encourage the Commonwealth Government to develop a new system of Lifelong Learning Accounts (LLAs), to ensure that every Victorian has access to education and training throughout their working lives.

This would require the Commonwealth to imagine lifelong learning as a universal system that encourages Australians to regularly maintain and upgrade their skills, harness the benefits of new technology, prevent skill atrophy or obsolescence, and to transition from declining tasks, occupations and industries to those that are growing. Key beneficiaries would be those who stand to gain most from upskilling but who are least likely to access it: low-skilled workers and learners; older adults; displaced workers; those whose jobs are at most risk from automation; and particularly those in precarious work. In the spirit of a universal system, LLAs would apply to all workers, including casual and ‘gig’ workers, and the self-employed. To avoid known risks, LLAs would be accompanied by equity loadings, clear advice for these workers about how to make best use of them, and strong quality assurance.

This proposal is informed by the learning account models in place in Singapore and France, and evidence of the National Training Guarantee’s impacts during Australia’s last recession. The model is ripe for consideration in post-COVID Australia, as variants have been proposed by groups as diverse as the Business Council of Australia, the ACTU, thinktanks Per Capita and the Aspen Institute, and the Monash Commission.²³⁷

In the long-term, the LLA system would involve employers and workers contributing regularly into a shared account, which would follow the worker if he or she moved to another job. Workers could choose to draw down the account whenever they wanted to upskill or reskill. Worker and employer contributions would be made as a percentage of worker income. Governments would top up the amount to ensure a minimum level (adjusted to reflect part-time work).

LLAs would expand the economy’s productive capacity, as workers developed the skills to embrace new technologies and trends, and as industries harnessed a highly skilled workforce. Requiring employers to contribute to workers’ LLAs could encourage them to consider more collaborative

²³⁷ BCA (2018), Future-proof: Australia’s future post-secondary education and skills system; ACTU (2012), Lives On Hold, Unlocking the Potential of Australia’s Workforce, Report of the Independent Inquiry into Insecure Work; Per Capita (2018), The Future of the Fair Go: Securing Shared Prosperity for Australian Workers, February 2018; Fitzpayne, A. and E. Pollock (2018), Lifelong Learning and Training Accounts: Helping Workers Adapt and Succeed in a Changing Economy, The Aspen Institute Future of Work Initiative Issue Brief, April 2018; Monash Commission (2019), Three Recommendations for Renewal of Post-Compulsory Education in Australia: The Report of the 2018 Monash Commission.

relationships with their workers, thereby potentially raising productivity and creating a countervailing force to the trends to casualisation and insecurity.

Integrate LLAs with current national systems

A universal system of LLAs would need to be integrated with national systems of student loans and tax. It would require significant Commonwealth investment and stakeholder engagement, and integration with wider state and federal reforms to post-secondary education and training.

As with other reforms proposed by the Review, LLAs should not be developed or pursued in isolation from other policy settings. The OECD's 2019 review of lifelong learning accounts emphasised the need for additional measures to boost participation in training from low-income groups, who are under-represented among those who access LLAs in countries that have them.²³⁸ It would be important to create loadings for disadvantaged learners needing additional support from providers, and clear, simple advice for all workers about how to best use them.

²³⁸ <https://www.oecd.org/els/emp/individual-learning-accounts.pdf>

CASE STUDY

LIFELONG LEARNING ACCOUNTS IN AUSTRALIA AND OVERSEAS

National Training Guarantee, Australia, 1991-94

In the early 1990s recession, Australia introduced a National Training Guarantee (NTG) to ensure that employers maintained their investment in training. The NTG was an employer-specific levy that operated across Australia from 1991 to 1994.

The evaluation of the NTG was, on balance, very positive. It found that the NTG managed to maintain the effort of businesses and industries that already had a training culture, but that it had limited impact among those that did not.

The NTG design focussed on investment at workplace level, rather than on individual workers. This limitation reinforced the incentive for business to invest in workers with the highest skill levels and strongest relationships. As such, it had little impact on workers who most needed skills development to support their economic security.

The LLAs proposed in this Review involve investment at the level of individual workers, to ensure that no worker misses out on the opportunity to benefit from ongoing training.

SkillsFuture Credits, Singapore

Singapore has always sought to align its training system with its economic development. Its SkillsFuture policy seeks to build a national lifelong learning movement by framing skills as an enabler of an advanced economy and inclusive society.

The National Manpower Council drives planning, with firms contributing to a job training fund that allocates money to the best proposals that develop transferrable, high-tech skills.

Through SkillsFuture Credits, the Government contributed \$500 in 2015 and 2020 for everyone aged over 25, plus targeted top-ups for mid-career workers. Workers accumulate savings in their accounts to pay for eligible accredited courses to either upskill in their current job, or reskill to find a new job in a constantly changing labour market.

The LLA is far from the only solution to financing wider participation in the skills sector. Other funding models could be pursued as part of a multi-faceted, collaborative approach. For instance, a National Skills Levy, similar to the Medicare Levy, would be a bold proposal. While Treasury Departments are loath to hypothecate funding, this model has underpinned the relative stability of other social insurance models, from public health to disability funding. With sufficient public support, such a levy could fund the proposed universal system of Lifelong Learning Accounts. Although higher taxpayer contributions are not viable in the early phases of economic recovery, broad-based taxpayer funding is a plausible alternative to government, employer and worker contributions beyond the current recession.

Some stakeholders, including leading industry training provider, the Plumbing Industry Climate Action Centre (PICAC), proposed the establishment of industry training funds using industry-specific funds.²³⁹

²³⁹ Submission 112 CFMEU.

A large part of the Industry training delivered through the PICAC model is funded through Incolink and the Plumbing Joint Training Fund (PJTF). In broad terms, State and Federal Governments have provided capital works funding to develop specific training facilities, with industry funds providing the bulk of the recurrent funding. This recurrent funding stream is derived almost entirely from the returns these industry funds can generate through investments.²⁴⁰

The ACT Building and Construction Industry Training Fund is a longstanding, successful example of this kind of approach. The Fund is administered by a statutory body responsible for providing funding for the training of eligible workers in the ACT building and construction industry. Its leadership group includes industry representatives (employers and employees) and an independent chairperson. Its primary goal is to fund training for entry level and existing workers, including unemployed and injured workers seeking to return to the industry. It is funded through collection of a training levy of 0.2 per cent, calculated from the cost of the work. The Review sees the potential of levies for particular sectors, but suggests such initiatives are likely to be more effective, legitimate and sustainable if they are developed within those sectors.

Provide supported earn-and-learn options for unemployed Victorians

Victoria and Australia face up to five years of high unemployment. Up to 500,000 Victorians may be unemployed by the September quarter of 2020, with the unemployment rate peaking at 11 per cent.²⁴¹

This pandemic has revealed that many Victorians – those in insecure work, in low-skilled roles and in sectors of the economy that have been hit by COVID restrictions (such as retail, hospitality and the arts) – are living on the edge. Young people, women and migrant workers, in particular, face new levels of economic insecurity. This is in addition to the existing pool of unemployed whose short-term job prospects have been drastically reduced, or all but eliminated, by the economic impacts of COVID-19.

Active labour market programs to reflect these new realities will be required on a scale not seen since the early 1990s. Some US commentators have even called for a ‘New New Deal’ – referring to mass public jobs programs in the 1930s in the USA – to underpin recovery.²⁴²

Support will be required at multiple levels: clear information and advice; employment services support; skills development; wages subsidies; and direct job creation.

- Many newly unemployed have a strong skills base: they will simply need clear information and guidance to match their existing skills and experiences with job opportunities as they emerge.

²⁴⁰ Submission 043 PICAC.

²⁴¹ ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.

²⁴² McLeod J (2020) *COVID-19 and a New New Deal*, Resilience online. www.resilience.org/stories/2020-03-25/covid-19-and-a-new-new-deal/; Ward M (2020) *A Stanford economist says we’re headed for a crisis worse than the Great Depression. Here’s his plan for getting people back to work and spending on businesses*, Business Insider Australia online. www.businessinsider.com.au/stanford-economist-us-needs-new-new-deal-great-depression-coronavirus-2020-4?r=US&IR=T



- More intensive employment services will be in demand and, unless Commonwealth employment services are strengthened significantly, the Victorian Government may be called on to fill the gaps.
- For many jobseekers, the skills system will take on new significance. People will need to be able to readily understand their existing skills and skills needs, so that they can identify the training options that would help them to get back to work. Local support through expanded Skills and Jobs Centres will be critical (see 5.1).
- Supports such as the JobTrainer Fund will be important in stemming the dramatic decline in employer skills investments, and can provide significant flexibility to address current and emerging skills needs.

Governments will need to invest in wage subsidies and direct job creation at scale. New options will need to be crafted for those already disadvantaged in the labour market, for whom no amount of employment services, skills support and wage subsidies will compensate for a shortage of jobs.

The Review believes that new combinations of work and study – ‘Earn and Learn’ options – could support short-term participation and long-term productivity. The goal of such initiatives would be to sustain (or accelerate) the pace of skills development while there is a shortfall of full-time private sector jobs.

Young people have been particularly hard hit by COVID-19. Many have had their studies disrupted; many more face a labour market with fewer job prospects and more intense competition. The Review supports calls for bundling youth options into a guarantee that ensures all young people access to jobs, study or a combination of the two. FutureSkills Victoria could contribute to this whole-of-government initiative by developing new work-integrated learning models targeted at vulnerable young people and job seekers.

Wage subsidies are usually the most effective labour market program, since they keep recipients connected to the private sector labour market and build future prospects. The ACFE Board proposed transitioning Commonwealth income support payments such as JobSeeker into subsidies for apprenticeship wages.²⁴³

Subsidies could also underpin new internships or cadetships that combine entry level jobs with study (outside the formal structure of an apprenticeship or traineeship). While Box Hill TAFE reported on the success of its cybersecurity internship program, with students employed in industry while they studied,²⁴⁴ other TAFEs indicate that these models are not yet widespread.²⁴⁵ Learn Locals appeared to have more earn-and-learn options for vulnerable learners,²⁴⁶ perhaps because of the greater flexibility of pre-accredited qualifications. Enabling more internships or cadetships may require the Victorian Government to declare that more courses can be delivered through work-integrated learning; or to broker informal work and study arrangements through the expanded Skills and Jobs Centres (see 5.1).

²⁴³ Submission 056 ACFE Board.

²⁴⁴ Submission 009 Box Hill Institute.

²⁴⁵ Submission 073 Wodonga TAFE.

²⁴⁶ Submission 056 ACFE Board.



For the most disadvantaged jobseekers, Intermediate Labour Market Programs (ILMPs) can support temporary jobs that are combined with study. In Australia, ‘third sector’ organisations have primarily implemented ILMPs. The ACFE Board recommended a ‘social enterprise’ approach to new ILMPs:

The conversion of Work for the Dole (WfD) funding and other employment assistance payments (or new funding) to a fund for social enterprises that can be paid as wages to people contributing time and their efforts to community projects. (This could be a strong policy option to pursue as part of the post-COVID recovery.) This could be linked to state-level funding for skills qualifications; the opportunity to earn income could increase learner participation.²⁴⁷

Such programs work best in industries when work can be performed by someone with no prior training (or where roles can be divided to enable this)²⁴⁸; where development pathways exist; and in industries of high demand. In Victoria, this may include the construction and care sectors, and parts of the digital economy.²⁴⁹

Creating temporary jobs for disadvantaged job seekers is only possible with government subsidies.²⁵⁰ These temporary programs, while not a panacea, can help to keep people connected with the world of work and learning. In doing so, they can prevent skill atrophy with lifelong consequences.

There are a number of other ways in which Victoria could support the creation of earn-and-learn opportunities for those unemployed during COVID-19. For instance, to help apprentices displaced by COVID-19 to continue working, procurement processes could increase the number of apprentices, trainees and interns employed on major stimulus projects.

The Review stresses that ILMPs, internships and cadetships should be seen as stimulus measures to create jobs during the peak COVID-19 recession, and to keep Victorians in work while they develop their skills. Careful negotiation between unions and employers will be needed to ensure that they are not seen as a path to reducing the wages, conditions or security of the workforce. The SDA emphasised that work-integrated learning must ‘include pay at the minimum wage or above’.²⁵¹ The Australian Centre for Social Innovation also noted that students in paid work-integrated learning may be vulnerable to industrial risk, especially those employed through labour hire companies. While apprentices and trainees have access to nationally negotiated minimum wages,

²⁴⁷ Ibid.

²⁴⁸ _____ (2020) *Skills for Victoria’s Growing Economy: Equity Topic Brief*, prepared for the Review by The Australian Centre for Social Innovation (TACSI).

²⁴⁹ Nockolds D (2012) *Exploring success for intermediate labour market social enterprises: a literature review*, Brotherhood of St Laurence.

http://library.bsl.org.au/jspui/bitstream/1/6185/1/Nockolds_Exploring_success_intermed_labour_market_soc_enterprises_lit_review_2012.pdf

²⁵⁰ Ibid.

²⁵¹ Submission 069 SDA National.

any extension of work-integrated learning models will require arrangements that enjoy broad support across industrial partners.

With the Commonwealth Government, support employers to sustain investment in apprenticeships and traineeships

The uncertainty created by COVID-19 is likely to reduce employers' willingness to invest in training ongoing employees. The effect on apprentices is already visible, with alarming numbers of contracts for apprentices and trainees suspended, withdrawn or cancelled. In May 2020, the Mitchell Institute forecast that currently enrolled apprentices and trainees would decline by approximately 20 per cent, falling to their lowest level in 2023, by when it is forecast there will 50,000 fewer apprentices/trainees in training.²⁵²

The experience of past recessions bears out the importance of supporting currently enrolled apprentices and trainees during economic downturns, since those who lose their jobs are likely to remain unemployed for some time.²⁵³ The Victorian Government has announced the Retrenched Apprentices and Trainees Program, in collaboration with the Apprenticeship Employment Network, to establish a register for retrenched apprentices and trainees in order to help them stay engaged with their training and place them with appropriate employers.²⁵⁴ The Commonwealth Government's JobTrainer Fund expands the wage incentive announced in March to help keep apprentices and trainees in work.

Shortfalls in commencements of *new* apprentices and trainees will need to be addressed if recovery is to be effective. A deficit of commencements today will lead directly to skill shortages in the pipeline of qualified tradespeople in coming years. The National Australian Apprenticeships Association reported that in April 2020, national commencement levels for apprentices and trainees were down 58 per cent on prior years.²⁵⁵ Similarly, the Victorian TAFE Association told the Review in May that advertised vacancies had dropped to just 880 opportunities nationwide.²⁵⁶ Through Working for Victoria, the Victorian Government is supporting 300 young Victorians into new apprenticeships and traineeships who are to be placed with public sector employers, including local councils, hospitals, schools, TAFEs and water authorities.

In early October, the Commonwealth Government announced it would extend its wage subsidy for apprentices to commencing apprentices, not just those already in training. The Victorian Government should work with the Commonwealth to sustain support for employers who take on new apprentices and trainees, potentially leveraging the Commonwealth's employer incentives for apprenticeships and traineeships when the wage subsidy ends.

²⁵² Hurley, P. (Mitchell Institute), [Impact of Coronavirus on Apprentices and Trainees](#) (2020)

²⁵³ Ibid.

²⁵⁴ ____ (2020) *Retrenched Apprentices and Trainees Program*, Apprenticeship Employment Network (AEN).
<https://aen.org.au/outoftrade/>

²⁵⁵ Ibid.

²⁵⁶ ____ (2020) *TAFE Apprenticeship Response Plan (Options)* prepared for the Review by the Victorian TAFE Association (unpublished).



Support pre-apprenticeships and traineeships in sector clusters

Young people with aspirations to pursue VET careers may find a lack of apprenticeship opportunities in coming months. Pre-apprenticeships in the VET sector can help them stay connected to their ambition and gain valuable workplace readiness skills. The Review heard that pre-apprenticeships can provide a range of benefits for young people and other job seekers, including vulnerable workers, particularly as a pathway into suitable and meaningful careers and work. Both Chisholm and the CFMEU lauded the benefits of pre-apprenticeships²⁵⁷ and the Brotherhood of St Laurence (BSL) suggested pre-apprenticeship programs should be extended throughout Victoria.²⁵⁸

The Review heard that one of the most innovative applications of the pre-apprenticeship model is through general, broad-based or ‘multi-industry’ pre-apprenticeships and traineeships. These emerging models provide aspiring apprentices with basic skills and knowledge for a ‘cluster’ of trades or vocational specialisations (such as care occupations) rather than just one. Examples of these programs are:

- **The AEN’s Multi Industry Pilot (MIP) projects.** MIP uses the GTO network to support youth through an integrated multi-industry pre apprenticeship program. Key aspects of the program include hands on experience and knowledge sharing in multiple industries and occupations.²⁵⁹
- **Wodonga TAFE’s ‘Inspiring Pathways’ concept.** The concept proposes to underpin the development of a Victorian-accredited Certificate II in General Apprenticeship Pathways or similar for service/health industries. Students would have the option to choose from multi-industry streams which will allow them to develop a range of technical skills providing flexible career options. These comprise Trades (The Artisans) - electives sourced from Plumbing, Electrotechnology, Construction, Horticulture and Engineering industries; Service (The Generators) - electives sourced from retail, hospitality, tourism, and events management qualifications; and Health (The Carers) - electives sourced from nursing, community services and allied health industries.²⁶⁰

The Review recommends that the Government develop and fund general or multi-industry pre-apprenticeships and traineeships in priority skills clusters, in collaboration with the AEN and TAFEs. Building on existing models, they could provide a general Certificate II level qualification built from current units or skill sets. The workplace component of these subsidised pre-apprenticeships could also be provided through Working for Victoria or through targeted local brokering by expanded SJs.

²⁵⁷ Submission 112 CFMEU.

²⁵⁸ Submission 072 BSL.

²⁵⁹ Submission 070 AEN.

²⁶⁰ Submission 073 Wodonga TAFE.



4. Skills for our economy: Driving innovation and jobs growth

Capacity to innovate will be a critical factor in the speed of Victoria's economic recovery. Discussing the path to post-COVID recovery, Nobel Prize-winning US economist Edmund Phelps reminds us that most innovation comes from people with intermediate-level skills:

It's very important to emphasise that most innovation comes from ordinary people.... A lot of extraordinary innovations are the concepts of ordinary people who are in the middle of income distribution and of average education.²⁶¹

The skills sector has always played an important role in innovation by building skills in the middle range, which is now more important than ever. Skill development cannot develop skills only for today's jobs; it must stack more skills towards the 'frontiers' of innovation.²⁶²

To achieve this future-facing skill development, VET and industry must work together more closely. When the link between skills and industry policies is strong, employers quickly recognise workers' acquisition of skills aligned with new industry practices and technologies; new industry standards emerge, and wages rise.²⁶³ The Review supports the view of the Mackenzie Research Institute that:

Without an industry policy – and an industry policy that is integrated with educational policy – education can play only a minor role in developing a fit-for-purpose skills workforce.²⁶⁴

The goal is not just to ensure workforce supply but to enable industry innovations and 'frontier practices' to develop. Compared with Canada, the Netherlands, Singapore and other countries, Australia underuses VET's capacity for innovation, despite the sector's strong record of applied problem-solving for industry and communities.

At present, green shoots of innovation are evident throughout the skills sector, as providers, industry and communities come together to deliver new skills or training methods. As one teacher noted, these innovations depend on giving individuals a chance to take a risk:

²⁶¹ Fontevecchia J (2020) *Edmund Phelps: 'It's important to get a debt agreement that is feasible for Argentina'*, Buenos Aires Times online. <https://www.batimes.com.ar/news/economy/edmund-phelps-its-important-to-get-a-debt-agreement-that-is-feasible-for-argentina.phtml>

²⁶² Aghion P and Howitt P (2005) *Appropriate Growth Policy: A Unifying Framework*, the 2005 Joseph Schumpeter Lecture delivered to the 20th Annual Congress of the European Economic Association in Amsterdam. <https://www.oecd.org/economy/growth/35912476.pdf>

²⁶³ Bessen J (2015) *Learning by Doing: The Real Connection between Innovation, Wages and Wealth*, Yale University Press.

²⁶⁴ Submission 015 Mackenzie Research Institute (Part 1).



There are very real and measurable examples of excellence within this sector. This is due normally to passionate people who have been given the agency to create something interesting and unique.²⁶⁵

The Victorian Government's investment in VET innovation through the Workforce Training Innovation Fund (WTIF) has helped to turn many smart ideas into reality. Yet funding alone is not enough to support system impact and sustainability. Potential links between skills and industry policy remain largely underexploited. Victoria now has the opportunity to build these links and drive innovation and growth across the economy.

Recommendation 4.1 – Establish specialised FutureSkills Labs

The Victorian Government should:

- Establish FutureSkills Labs within FutureSkills Victoria to bring together leading education and training providers, industry, unions and communities to co-design new approaches to skills development, informed by leading industry practices and technologies, and aligned with industry policy.
- Begin by establishing:
 - A Clean Economy FutureSkills Lab to develop the new training approaches to enable Victoria to meet its clean energy and circular economy goals
 - A Care Economy FutureSkills Lab to develop the new training approaches to meet the evolving needs of the care economy
 - A Digital Economy FutureSkills Lab to develop the new training approaches that would support a new Digital Jobs and Skills Strategy
- Ensure that all FutureSkills Labs co-design a Skills Plan for their sector within the Victorian Skills Plan, develop new courses to create skilled jobs in their sector, and pursue opportunities for jobs in metropolitan and regional Victoria.
- Through FutureSkills Victoria, identify a leading TAFE to convene each FutureSkills Lab by drawing together a coalition of other TAFEs, Skills First providers, universities and Adult Community and Further Education (ACFE) providers, along with industry, government, union and community partners.
- Provide FutureSkills Labs with a significant base level of operational funding, and support the implementation of priority projects through the FutureSkills Innovation Fund.
- Over time, consider expanding the FutureSkills Labs model to cover traditional industries, such as advanced engineering, design and manufacturing; agriculture and food; and tourism and the experience economy – integrated with established vehicles in these sectors.

²⁶⁵ Teacher Survey response (2020).

What this involves

The proposed FutureSkills Labs would be located within FutureSkills Victoria. Each Lab would comprise a coalition of a leading TAFE along with other education and training providers, industry, unions, and community organisations. The Labs would identify the skills frontier in their priority sector, and design education and training to meet and extend it.

To do this, FutureSkills Labs would draw on the practices and technologies of industry; skills data provided by FutureSkills Insights; and practice insights and professional learning provided by the VET Development Centre (located within FutureSkills Victoria). As independent entities inside FutureSkills Victoria, the Labs could build close stakeholder relationships that would enable them to work in new ways to deliver courses and to work with industry.

The focus of FutureSkills Labs

The FutureSkills Labs proposal builds on Canada's FutureSkills Lab concept but focuses it on specific sectors of the economy where innovation will yield highest returns for Victoria's growth. The first Labs would be created in three critical sectors:

- **Clean economy** – delivering skills and innovation for sustainable economic development
- **Care economy** – meeting needs for skills and innovation in health and social services
- **Digital economy** – equipping Victorians for digitally-supported work, life and learning.

The last sector – the digital economy – is distinctive. The Review recommends embedding its FutureSkills Lab within a broader Digital Jobs and Skills Strategy. Under this strategy, the digital innovation needed in the skills sector would contribute to lifting digital capability across the whole economy (see 4.3).

FutureSkills Labs would help Victoria shift to a smarter, cleaner, more inclusive economy.

Over time, the FutureSkills Labs model could be expanded to cover traditional industries, such as advanced engineering, design and manufacturing; agriculture and food; and tourism and the experience economy. Labs would integrate with established vehicles in these sectors, given the key role these industries will play in growing regional economies. Where opportunities for a particular sector are concentrated in a particular region, FutureSkills Labs could also support precinct- or place-based economic development.

The functions of FutureSkills Labs

The Labs would work with providers, industry and communities to develop Skills Plans for each sector. Each sector Skills Plan would be nested within the Victorian Skills Plan (see 2.2) but strongly connected to whole-of-government industry policy. The Skills Plans would outline what is required to deliver a skilled workforce for each sector. Each would:

- Meet existing skills needs



- Develop the skills needed for new jobs
- Develop a core skills framework that spans jobs and roles
- Build equity into skills planning
- Develop skills related to the target industry in other sectors
- Connect to broader industry policy.

Examples of how these topics would be approached for each sector are shown later in this chapter, drawing on evidence received in the Review. To deliver on its Skills Plan, each Lab would also draw on innovative, future-focused models of education and training (see 4.1). This approach would benefit industry by delivering skills in cutting-edge ways, and benefit the skills sector by trialling new models that could be scaled up to other industries.

To develop its Skills Plan, each FutureSkills Lab would engage with a range of frontier employers, including start-ups and SMEs with high growth potential, in order to align innovation in skills development with industry growth and renewal. The Labs could also act as brokers and advisors, helping businesses to engage with Victorian Government stimulus investments. Each Lab would develop an understanding of skills needs across big projects, and how its sector could seize opportunities to meet them.

As sector leaders, FutureSkills Labs would make interstate and international connections. To create a national network of skills innovation and industry growth, FutureSkills Labs would connect with the new Skills Organisations being piloted by the Commonwealth in its priority sectors, and with interstate centres of excellence.

An illustration of this approach (for the care economy) is found in the Future Social Service Institute (FSSI), a partnership between the Victorian Council of Social Service and RMIT University, supported by the Victorian Government. FSSI drives innovation in education, training and applied research to deliver a future-ready workforce that can underpin growth and transformation in the social services sector. The FSSI involves just one provider (RMIT), whereas FutureSkills Labs would combine the strengths of multiple providers, but its vision captures the spirit of FutureSkills Labs.

Funding for FutureSkills Labs

The Labs would require a significant base level of investment to maintain their core activities, as well as a pool of funding to enable new delivery models and bring collaborative research to life. This pool would be drawn from a dedicated allocation within the FutureSkills Innovation Fund, administered by FutureSkills Victoria. Internal government advice regarding the WTIF program identified the need for an organisation to take on this brokering role.²⁶⁶

Successful innovations led by the Labs would need to make the case that they can become financially sustainable. This could involve attracting industry investment once the business case for new training models had been proved. Existing VET Centres of Excellence show how industry can

²⁶⁶ DET Administrative Data (unpublished).

bring significant co-investment to models seen as driving frontier practice.²⁶⁷ Successful innovations could also draw on or be integrated into wider government supports (for example, newly developed courses could be added to the Free TAFE list, or be considered under the Victorian Skills Plan).

Innovations seeded through the FutureSkills Innovation Fund would provide an evidence base for the likely costs of scaling, as well as likely returns to individuals, industry and communities. Costings for new training models delivered by the Labs could also feed into ongoing updates of the costs of quality VET (see 3.1).

What we heard

The proposal for FutureSkills Labs responds to the following needs expressed to the Review:

Elevate excellence in TAFE and training to enhance VET's visibility and status

FutureSkills Labs would be led by TAFEs or dual sector universities that have demonstrated excellence in the view of industry and community leaders in the target sector. At present, the TAFE network lacks dedicated vehicles for innovation and applied research at scale, which contributes to a long-term perception that TAFE is the residual community service element of an otherwise privatised VET market. FutureSkills Labs would place TAFEs in the vanguard of innovation, lifting TAFE from a 'default' to a desirable skills brand. TAFE's leadership of FutureSkills Labs would also ensure a strong focus on intermediate-level skills.

At the same time, FutureSkills Labs would not restrict excellence to a single provider, unlike the single-provider Centres of Excellence that were proposed to the Review.²⁶⁸ Outstanding innovation also occurs in private and not-for-profit RTOs, as the mix of providers supported by the WTIF grants program demonstrates. The TAFE leading each Lab would be required to collaborate with other leading RTOs in their target sector, as well as leading universities and ACFE. These partnerships would enable each priority sector to be served by a range of expert providers that taught everything from foundation skills to post-graduate qualifications.

The existence of FutureSkills Labs would not prevent TAFEs from pursuing other areas of excellence and innovation in partnership with industry. The many existing examples include William Angliss TAFE's specialisation in hospitality,²⁶⁹ SuniTAFE's links to the agriculture and horticultural sectors,²⁷⁰ and Bendigo Kangan Institute (BKI)'s Automotive Centre of Excellence.²⁷¹ FutureSkills Labs go further than these institutional models, and position TAFE and training to play a central role in industry policy and job creation priorities.

²⁶⁷ Submission 122 Air Conditioning and Mechanical Contractors Association.

²⁶⁸ Submission 048 WAI; Submission 015 Mackenzie Research Institute (Part 1).

²⁶⁹ Submission 048 WAI.

²⁷⁰ Submission 101 SuniTAFE.

²⁷¹ Submission 109 VTHC.



Drive skills-led innovation and growth in priority sectors to support economic recovery

Skills analysis completed for this Review has identified three priority areas for the first group of FutureSkills Labs: Clean Economy, Care Economy²⁷² and Digital Economy. The Australian Government is also exploring opportunities for stronger VET-industry engagement through new Skills Organisation pilots in human services, digital technology and mining.²⁷³

While these create a *prima facie* case for collaboration in areas of overlap, the Review recommends that Victoria pursue a distinctive skills and industry policy where governments are not well aligned. For instance, the Commonwealth's narrow focus on mining reflects its refusal to support a net zero emissions target to guide investment into the clean economy. Economists have long recognised the importance of distinctive state and regional approaches within national economies.²⁷⁴ This becomes particularly important when the policy ambitions of State and Federal governments are not well aligned.

Table 2 compiles the evidence received by the Review for each of these three areas, against the six priorities for FutureSkills Labs identified above.

²⁷² The Care Economy comprises hospitals, early childhood education and care, community health services, social work, and care homes for older people and people with disability.

²⁷³ Department of Education, Skills and Employment, *Skills Organisations*. <https://www.employment.gov.au/SO>

²⁷⁴ Porter M (2007) *Clusters and Economic Policy: Aligning Public Policy with the New Economics of Competition*, ISC White Paper, Harvard Business School. <http://clustermapping.us/sites/default/files/files/resource/Clusters%20and%20Economic%20Policy-%20Aligning%20Public%20Policy%20with%20the%20New%20Economics%20of%20Competition.pdf>

Table 2: Evidence of the need for FutureSkills Labs in three priority sectors of the economy

	Clean economy	Care economy	Digital economy
Meet existing skills needs	<p>The Australian renewable energy sector employs over 25,000 people, with almost a third of all jobs located in Victoria.²⁷⁵</p> <p>The sector experiences significant skill shortages, including difficulties recruiting staff with suitable experience and qualifications.²⁷⁶</p>	<p>The care economy is Victoria’s largest employer, particularly of women, who make up almost 80 per cent of the health care and social assistance workforce.²⁷⁷</p> <p>Even before COVID-19, Victoria faced a shortage of 66,000 jobs in growing occupations such as carers and health professionals.²⁷⁸</p>	<p>In a 2019 report, Deloitte Access Economics showed that a critical skills gap ‘is digital literacy – which is required by 87 percent of jobs’.²⁷⁹</p> <p>This skills gap is expected to only grow over the next decade,²⁸⁰ and ‘by 2030, digital literacy will be among the top three skills demanded by most industries’.²⁸¹</p>
Build equity into skills planning	<p>Clean energy offers particular potential for regional communities. The Institute for Sustainable Futures predicts that by 2025, 57 per cent of renewable energy jobs will be in regional Victoria, and 43 per cent in Melbourne.²⁸²</p>	<p>The highly gendered nature of the care economy workforce necessitates training that considers the particular social and economic circumstances of women, as well as efforts to attract more males to female-dominated parts of the sector.</p>	<p>Digital literacy is a foundation skill that all Victorians need for economic and social participation. Digital literacy is not only required for entry into the workforce, but may be a priority for existing workers who need to upgrade their skills to remain employable.</p>
Create skills for new jobs	<p>Internal government data estimates that the shift to a circular economy could generate approximately 3,900 job opportunities.²⁸³</p> <p>By 2030, the Victorian Renewable Energy Target and associated policies could create up to 90,000 jobs.²⁸⁴</p>	<p>The potential for innovation in the care economy is under-recognised and under-utilised.</p> <p>Opportunities exist in health technology and its sub-sectors (e.g. biotechnology and digital health).²⁸⁵</p> <p>More than 40 per cent of Australia’s ASX-listed life science companies are based in Melbourne.²⁸⁶</p>	<p>AlphaBeta modelling for this Review found that the digital sector has the highest potential of key strategic sectors for innovation-led growth, with 126,000 new jobs set to be created by 2030, if Victorians are sufficiently skilled to pursue emerging opportunities.²⁸⁷</p>

²⁷⁵ ____ (2020) *Clean Energy Work*, Clean Energy Council of Australia.

<https://assets.cleanenergycouncil.org.au/documents/resources/reports/Clean-Energy-at-Work/Clean-Energy-at-Work-The-Clean-Energy-Council.pdf>

²⁷⁶ ____ (2020) *Clean Energy Work*, Clean Energy Council of Australia.

<https://assets.cleanenergycouncil.org.au/documents/resources/reports/Clean-Energy-at-Work/Clean-Energy-at-Work-The-Clean-Energy-Council.pdf>

²⁷⁷ Hayward D and Richardson A (2018) *Victoria’s Social Economy: Social opportunity, economic growth*, Future Social Service Institute (FSSI).

²⁷⁸ ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.

²⁷⁹ ____ (2019) *The path to prosperity: Why the future of work is human*, Deloitte, 21.

<https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/path-prosperity-future-work.html>

²⁸⁰ Ibid, 24.

²⁸¹ Ibid, 28

²⁸² ____ (2020) *Clean Energy Work*, Clean Energy Council of Australia.

<https://assets.cleanenergycouncil.org.au/documents/resources/reports/Clean-Energy-at-Work/Clean-Energy-at-Work-The-Clean-Energy-Council.pdf>

²⁸³ Internal government data (unpublished).

²⁸⁴ ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta. This includes jobs from the Renewable Energy Target and assumes targeted policies from Climate Council’s ‘Clean Jobs Plan’ are implemented.

²⁸⁵ ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.

²⁸⁶ Ibid.

²⁸⁷ ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.



	Clean economy	Care economy	Digital economy
Develop a core skills framework that spans jobs and roles	<p>No core skills framework for the clean economy is under development, although there is scope to identify skills that are common across roles.</p> <p>New skills in design and technology, and higher-order skills, will be in demand as products are redesigned and repurposed for continuing or new usage.</p>	<p>AlphaBeta found that 59 care economy occupations can be ‘clustered’. The top three ‘enterprise skills’ were <i>communication, time management and teamwork</i>.</p> <p>The South Australian and Victorian Governments have also commissioned research into care skills clusters.</p> <p>Skills clusters promote mobility within the care economy,²⁸⁸ and entry into care roles for displaced skilled workers.</p>	<p>The National Centre for Vocational Education Research (NCVER) has begun work on an Australian digital literacy skills framework.</p> <p>Digital skills range from general skills to ‘vendor-specific’ technical skills that are often trained as micro-credentials recognised within digital industries.</p>
Develop capacity in other sectors	<p>The general workforce can upskill for a cleaner economy in many ways. Examples include improving waste management and use of sustainable materials in the construction industry²⁸⁹; use of recycled materials in fashion manufacturing;²⁹⁰ and building familiarity with renewable energy sources in the electrical and other trades.</p>	<p>Skills for the care economy can be applied to a wide range of industries and sectors.</p> <p>Deloitte has forecast trends in the nature of work and argues that all employees will need to build skills and capabilities that ‘have traditionally been more the domain of women’.²⁹¹</p>	<p>Despite their importance, digital skills are not afforded ‘essential skills status’ in all occupations, meaning that digital literacy units are not embedded in all courses.²⁹²</p> <p>A range of research shows the importance of digital skills in all occupations, and their value for career progression.²⁹³</p>
Connect to broader industry policy	<p>The work of the Clean Economy FutureSkills Lab would complement Government strategies to improve the sustainability of Victoria’s economy.</p>	<p>Government has invested significantly in many parts of the care sector, yet lacks a coordinated skills strategy.</p>	<p>Analysis from AlphaBeta shows that Victoria has great potential to build on the estimated \$34 billion value of the state’s digital sector.²⁹⁴</p>

²⁸⁸ Hayward D and Richardson A (2018) *Victoria’s Social Economy: Social opportunity, economic growth*, Future Social Service Institute (FSSI).

²⁸⁹ Internal government advice; and consultations with Canberra Institute of Technology; the Clean Energy Council; Federation University; and the Department of Environment, Land, Water and Planning.

²⁹⁰ Consultations with Creative Victoria; Ethical Clothing Australia; LCI Melbourne; and Australian Fashion Council (July 2020).

²⁹¹ ____ (2019) *The path to prosperity: Why the future of work is human*, Deloitte.

<https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/path-prosperity-future-work.html>

²⁹² Gekara V, Snell D, Molla A, Karanasios S and Thomas A (2019) *Skilling the Australian workforce for the digital economy*, NCVER Adelaide, 25. https://www.ncver.edu.au/_data/assets/pdf_file/0026/5744123/Skilling-the-Australian-workforce-for-the-digital-economy.pdf

²⁹³ Llewellyn G (2020) *Current and future demand for digital skills*, Smart Insights (April). <https://www.smartinsights.com/managing-digital-marketing/personal-career-development/current-and-future-demand-for-digital-skills/>

²⁹⁴ ____ (2020) *Vic’s post-secondary education and training needs – Final results*, prepared for the Review by AlphaBeta.



Recommendation 4.2 – Promote innovative learning for the future

FutureSkills Victoria should:

- Through FutureSkills Labs, provide priority industries with a forum for testing new models and innovative practices in education and training by:
 - developing ‘stackable’ microcredentials that are validated for quality and built into the Government’s funding model for VET courses, and that employers would recognise as a step towards full qualifications
 - strengthening learning pathways between ACFE and the broader VET system, and VET and higher education
 - developing higher apprenticeships and increasing work-integrated learning, including by working with the Victorian Government to introduce apprenticeships and traineeships at higher level qualifications.

What this involves

FutureSkills Labs would not only build innovative capacity in industry. They would push the boundaries of training provision, modelling innovative approaches. The Review identified three areas of training innovation that were especially important for FutureSkills Labs to develop:

- Microcredentials and skill sets
- Learning pathways (including between TAFE and training, university and ACFE)
- Higher apprenticeships and advanced work-integrated learning

In Australia and overseas, training innovation has occurred in these areas for some time.²⁹⁵ Yet the Review also heard that in these areas, new ideas often collide with established structures and policy settings that seek to control for quality but also constrain innovation. FutureSkills Victoria would negotiate regulatory settings²⁹⁶ in which the Labs could pursue new ideas and solutions to old problems, unlocking the potential for innovation in areas that can shape both the recovery and the future economy.

The Review also recognises that inertia from existing practices and relationships can also stifle new ideas. Leadership from FutureSkills Labs would help to unblock communication between providers and industry. By representing major sectors of the economy, the Labs could deliver innovation on a scale large enough to generate insights, but without trying to embed new ideas across the system before they have been rigorously tested and improved.

²⁹⁵ Ali R and Caulier-Grice J (2009) *Systemic Innovation in Vocational Education & Training*, prepared for the Social Innovation Exchange by the Young Foundation. <http://www.oecd.org/education/ceri/40249755.pdf>

²⁹⁶ Submission 075 RMIT Policy Strategy and Impact.

'Stackable' microcredentials and skill sets

Microcredentials are an increasingly popular tool for delivering specific general or technical skills. The Review offers qualified support for microcredentials as a future direction for Victoria, consistent with the mixed views of stakeholders. At their best, microcredentials can expand access and opportunity for people, and support labour and social mobility. Yet without careful use, they can risk undermining the primary importance of full qualifications, which remain the strongest pathway to skilled work. A worker with multiple microcredentials that are not recognised or stackable towards a qualification is at risk of not realising the career progress he or she desires. Learners without their first post-school qualification may be particularly vulnerable to the allure of low-quality microcredentials that prove to be of limited value.

The Review suggests more exploration of how to develop high quality, valuable microcredentials that can be effectively connected into full credentials and incorporated into the VET funding model. FutureSkills Labs provide an ideal space in which to test new options for microcredentials in priority sectors of the economy, in partnership with industry and unions, and delivered by trusted, high-quality training providers.

The first step in developing microcredentials is to map what skills the sector needs, and where microcredentials can fit, both within and alongside full qualifications. The Labs' work with a range of businesses and industry sub-sectors would enable them to take a broad-based view of the skills that employers require and explore how these essential skills could be cultivated through bespoke qualifications pathways. FutureSkills Insights would support this work by drawing on cutting-edge data about which capabilities are in demand and will lead to good jobs in these sectors (such as in the Care economy in Table 2).

FutureSkills Labs would allow growing sectors to define sets of microcredentials that align with their skills needs, and processes for ensuring these microcredentials are recognised both as assets in the labour market and as stepping stones towards full qualifications. This may involve accredited skill sets where suitable, or new microcredentials in the following areas:

- **Specialist microcredentials** would enable the upskilling and reskilling needed to adapt a workforce to changing economic conditions. These skills will be especially important in the post-COVID period when many new infection control and digital practices will be required. Such skills could also help workers to develop their careers at any stage. Project-based learning approaches involving rapid investigative projects to build research and inquiry skills may also lend themselves to a microcredential in an area of interest.
- **Foundation skills** would be a subset of general microcredentials, also contextualised for the relevant sector. Foundation skills learners may also need to re-engage in learning at different points in their careers, for example when they progress to a higher level of vocational learning (say, Certificate to Diploma) or to a new role in their workplace. Employability and management skills may also be part of the desired skills group.

Each Lab's design of foundation skills would draw from the suite of foundation skills courses (including pre-accredited, Certificates, and non-accredited courses), depending on what that Lab's industry, community and provider partners felt would best deliver for their particular



workforce. Different solutions could be pursued in local communities; for example, bespoke courses for culturally and linguistically diverse communities that contain strong opportunities for employment growth. Where these new microcredentials are incorporated into the VET funding model, they should be delivered only by approved foundation skills providers.

- **General microcredentials** would deliver skills from a designated cluster of core skills identified for that sector. These may be similar to broad-based employability skills courses, and could be delivered within the TAFE and training and ACFE sectors. Clusters would enable general skills to be contextualised in relevant workplaces; for example, the skill of *problem-solving* will be demonstrated differently in a relationship-focused aged care facility than on a building site.

Microcredentials would be designed as pathways to skilled work, with flexibility to enable students to-work towards full qualification across a range of areas within the sector (for example, a care skills microcredential might be a first step into early childhood education, where learners acquire higher-level skills in supporting children’s learning). This requires them to be recognised and trusted by education providers and employers.

General microcredentials could also be offered at different levels, using the five levels of proficiency in the Core Skills for Work Developmental Framework (2013).²⁹⁷ Mapping the skills needs of the sector would help to describe a clear, assessable learning progression. The Review again emphasises that general microcredentials (particularly non-accredited microcredentials) should be supported where there is a recognised need for them. Depending on the needs of the sector, these skills may be more appropriately offered through other, more substantial delivery pathways, including at the Certificate II or III level (for example, multi-industry pre-apprenticeships – see 3.4), or conversely through the successful ‘trade taster’ programs run by many TAFEs.

The design of quality microcredentials for specific sectors – with industry recognition and delivered by trusted providers – would equip Victoria to contribute to national reform. Implementation of recommendations from the national Australian Quality Framework Review is continuing, with the Commonwealth aiming to release a microcredentials framework soon. Victoria also needs a framework to integrate new Commonwealth-funded online short courses into its economic development strategy. By working through the options for microcredentials in priority sectors of the economy, each FutureSkills Lab would offer insight into how they can best be used, along with their limitations.

Learning pathways

FutureSkills Victoria should employ its connections with education and training providers to negotiate articulation and credit recognition agreements to cover any TAFE-to-university articulation pathways relevant to a priority sector’s current skills needs.

The Review also proposes support for VET graduates in their transition to university through mentoring or bridging programs that might contain a microcredential in industry-relevant study skills. Such programs would help to maintain VET graduates’ identities as industry professionals and

²⁹⁷ ____ (2013) *Core Skills for Work – Developmental Framework*, Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education and the Department of Education, Employment and Workplace Relations, Canberra.
https://docs.employment.gov.au/system/files/doc/other/2_csfw_overview.pdf

help them to not feel overwhelmed when they begin university. Industry mentors could provide valuable role models and build students' confidence.

Conversely, current eligibility rules for subsidised training can deter university graduates from pursuing VET courses because they may have to pay high fees if they cannot access an exemption from the rules. Review of these restrictions, proposed in the previous chapter (see 3.3), would help with 'reverse articulation' from higher education to VET. FutureSkills Labs could also lead projects to promote the value of VET learning in their target sector.

Applied research would be one way to connect VET and university pathways.²⁹⁸ FutureSkills Labs would lead applied research on frontier industry practices and connect it to innovations in training. Australia lacks mechanisms for applied research in VET, and investment in research often occurs at an individual level. FutureSkills Labs would enable larger-scale, collaborative research initiatives.

The Labs would also have a role in placing entry-level courses (including microcredentials and other VET and pre-accredited courses) in an end-to-end qualifications pathway design that will lead to jobs in a priority sector. By co-designing pathways with industry, FutureSkills Labs could create entry qualifications that meet the needs of the target sector, building to higher skill levels as the learner's capability grows.

Higher apprenticeships

The Review is persuaded that as workers need skills at increasingly higher levels, the apprenticeship model needs to be extended to higher level qualifications. Higher apprenticeships, degree apprenticeships or cadetships are employment arrangements that combine work with formal training leading to a qualification that is subsidised or fully paid by the employer. They can vary in length and are usually understood to be at a higher level than traditional apprenticeships.

FutureSkills Labs would capitalise on current momentum surrounding these models, and work with industry, unions and providers to further develop the model for priority industries and make these available in Victoria, particularly for major projects. Higher apprenticeships may enable priority sectors to attract highly qualified career changers who have lost jobs because of COVID-19, and who want to continue earning while they study for a new qualification and career.

The Victorian Government could also advocate nationally for improved funding settings for higher apprenticeships, in order to ensure consistent support for employers involved in VET and degree-level apprenticeships alike. In the longer term, innovation in apprenticeships in Victoria could inform a review and update of the *Education and Training Reform Act 2006*, so that FutureSkills Labs' pioneering practices could pave the way for more work-integrated learning across the system.

What we heard

The Review's proposals for innovation in learning responded to the following needs identified in the skills system:

²⁹⁸ Submission 020 BKI.

Make support for microcredentials conditional on their quality and value

Stakeholders were divided on the potential for microcredentials to play a major role in Victoria's future skills sector. Melbourne Polytechnic argued:

Models such as micro-credentials, short courses, skill sets and similar may need to move into the centre of the system, rather than at the periphery, where they sit now, as an addendum to the traditional models.²⁹⁹

The Victorian TAFE Association (VTA) predicted that 'shorter, more targeted and niche qualifications' will be increasingly in demand, as more workers move 'in and out of education and training throughout their working life'.³⁰⁰

Others were more cautious about microcredentials or opposed them. The Victorian Trades Hall Council was concerned that microcredentials could be exploited by employers and would leave workers without long-term career prospects and overall skills. However, it also acknowledged that Victorian unions would support genuine specialisation that builds on existing skills, as well as foundational units that could build towards a qualification.³⁰¹ The Shop, Distributive and Allied Employees Association (SDA) suggested that industry and the community must have a hand in the design of any system of microcredentials.³⁰² Australian microcredentials expert Emeritus Professor Beverley Oliver has argued for the development of a 'robust' case that microcredentials meet a genuine skills need.³⁰³

Lack of understanding of what microcredentials are, how they are recognised by employers, and how they should be funded, has also hampered their ability to gain traction in the skills sector. Victoria has 42 short courses on its Funded Course List but no coherent framework to determine how they are developed, certified or delivered. The AiGroup argued:

The crisis has identified the need for short courses at a number of different AQF levels; it has highlighted the need for access to information on offerings for the public; for coherence in offerings; and for information on where credentials sit/how they stack in relation to specific qualifications.³⁰⁴

Some students solve this problem simply by exiting a full qualification early and becoming a 'non-completion' statistic. Individual providers are pursuing their own microcredential frameworks – sometimes at considerable cost – as a way to attract students and industry. Given the activity

²⁹⁹ Submission 123 Melbourne Polytechnic.

³⁰⁰ Submission 125 VTA.

³⁰¹ Submission 109 VTHC.

³⁰² Submission 069 SDA National. This approach will ensure that short-form credentials are provided where relevant and backed by industry and will guard against undermining professionalism in some sectors - e.g. the care and allied health sector (see also Submission 099 VCOSS).

³⁰³ Bolton R (2019) *Micro credentials a 'jungle' in need of reform*, Australian Financial Review online.

<https://www.afr.com/policy/health-and-education/micro-credentials-a-jungle-in-need-of-reform-20190801-p52cul>

³⁰⁴ Submission 105 Ai Group.



occurring around microcredentials – as well new initiatives at the Commonwealth level – Victoria should continue building an evidence base to guide reform.

The need for a stronger evidence base for microcredentials is related to the need for better evidence about how general skills can be developed to meet industry needs:

Modern building and construction work has an increased set of skills needs as technology and more complicated builds become the norm. These skills include critical thinking, digital literacy, working in teams, leadership and communication as well as an increased OH & S and well-being focus.³⁰⁵

The Review recognises that microcredentials are not the only way to plug skills gaps, and that general skills can be effectively incorporated into contemporary, inquiry-based VET teaching approaches,³⁰⁶ or included in technical or work-integrated learning.³⁰⁷

The Australian Council for Educational Research observed that despite several years of national interest,³⁰⁸ policy has not yet understood how general skills might be developed most effectively.³⁰⁹ This work may become increasingly urgent, as the Mackenzie Research Institute noted that such skills become even more important in a time of low job security and limited employment opportunities, because they give people more options to move between employers and take on different roles.³¹⁰

Improve learning pathways between all forms of post-secondary education and training

Traditional understanding of ‘pathways’ assumes that workers who wish to build their knowledge and skills will articulate from VET into higher education, but the labour market of the 2020s will involve far more nonlinear and multidirectional transitions. For example, workers may move from pre-accredited to accredited VET and back again, to gain additional skills or to keep developing foundation skills alongside a successful vocational pathway.

The Review found widespread support for improved pathways between all levels of education and training, consistent with longstanding policy interest in this area. Box Hill Institute suggested that ‘formal partnerships between Learn Locals, TAFEs and Universities’ should be a condition of government funding.³¹¹ The Minerals Council of Australia said:

³⁰⁵ Submission 054 Master Builders Victoria.

³⁰⁶ Ibid.

³⁰⁷ Submission 022 AMES Australia.

³⁰⁸ ____ (2013) *Core Skills for Work – Developmental Framework*, Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education and the Department of Education, Employment and Workplace Relations, Canberra. https://docs.employment.gov.au/system/files/doc/other/2_csfw_overview.pdf

³⁰⁹ ____ (2020) *Issues Brief 3: Employability Skills*, prepared for the Review by the Australian Council for Education Research (ACER).

³¹⁰ Submission 015 Mackenzie Research Institute (Part 1).

³¹¹ Submission 009 Box Hill Institute.



Pathways that span TAFE, university and include intensive micro-credentialing (mini-qualifications that demonstrate skills, knowledge, or experience in a given capability) will likely become commonplace for the industry, making it easier to learn the skills key for our industry.³¹²

Clearer and better pathways benefit students and the economy. The Smith Family said that students must find pathways ‘clear, accessible and navigable’.³¹³

A recent University of Melbourne paper recognises a potential role for microcredentials in strengthening pathways, while also highlighting the importance of pathways to a job:

Future solutions may focus on qualification pathways spanning VET/HE that have a clear line of sight from training/education to occupational needs. This presents an opportunity for intermediary stand-alone qualifications, supplemented by skill sets and/or ‘micro-credentials’, aligned to evolving and emerging jobs, as well as tiered-levels of professional qualifications supporting job progression.³¹⁴

Despite the level of interest in pathways, they remain highly fragmented. While some Victorian universities have negotiated robust agreements with VET providers³¹⁵ – and dual sector universities have some inbuilt pathways – the Review heard that sector-wide pathways (where students can receive credit for a VET qualification at any university) are rare. Funding models for VET and higher education were identified as a possible disincentive for universities to articulate VET graduates straight into the second year of a Bachelor degree. FutureSkills Labs should make a priority of addressing these barriers, with industry support.

Pathways are arguably even more important at the lower end of the AQF. Sizeable proportions of vulnerable ACFE students continue learning:

Every third completer of a pre-accredited course goes on to further study, but workforce-vulnerable learners are much more likely to do so (40-47%).³¹⁶

Entry-level qualifications comprise a complex mix of microcredentials, pre-accredited training, and lower-level VET certificates. A recent ACFE policy paper noted that microcredentials can generate a

³¹² Submission 115 Minerals Council of Australia.

³¹³ Submission 031 The Smith Family.

³¹⁴ Schubert R, Goedegebuure L and Meek L (2018) *Revisioning the system: A critical analysis and the way forward*, Melbourne Centre for the Study of Higher Education, University of Melbourne. https://melbourne-cshe.unimelb.edu.au/_data/assets/pdf_file/0007/2845780/Revisioning-the-system-310718-Final-004.pdf

³¹⁵ Submission 077 La Trobe University.

³¹⁶ Submission 056 ACFE Board.

‘sense of progress’ for learners, which encourages them to keep learning.³¹⁷ The Labs would embed these options into industry Skills Plans.

CASE STUDY

International Specialised Skills Institute Fellow Jan Davis (Holmesglen)³¹⁸

In 2016, Jan Davis from Holmesglen’s Health Science, Youth and Community Studies Faculty drafted a business case to run a pilot program in training learners with disability and supporting them into work. She built her case after using a DET-sponsored International Specialised Skills Institute fellowship to research supported internships at two British colleges and five industry sites in the UK. She then built relationships with the Chief of Surgery at the Royal Children’s Hospital (RCH) and specialist employment agency EPIC. Jan also persuaded the TAFE’s executives and her faculty of the enormous wellbeing benefits that would flow from the program, and how Holmesglen was in a prime position to host it.

Today Holmesglen’s Certificate I in Work Education helps learners aged 16 to 19 with mild intellectual disability or learning difficulty prepare for work. Learners complete a certificate that includes three nine-week work placement rotations at the RCH per year. The first ten learners completed their certificates in 2019 and undertook placements in the hospital’s HR, medical records, allied health, volunteer and family services, early learning centre, kitchen, mailroom and equipment departments. Thanks to Jan’s innovation, all 10 found jobs, and two were employed at the Royal Children’s Hospital.

Develop higher apprenticeships and increase work-integrated learning

Apprenticeships are widely regarded as a best-practice model of work-integrated learning, providing higher completion rates and employment outcomes than institution-based training. In 2019, 87.7 per cent of apprentices and trainees across Australia were employed after completing their training.³¹⁹ Their student experience is often positive too:

When I was an apprentice, I absolutely loved the practical side of the learning process. Therefore, I think that would be something I would really enjoy if being an apprentice or trainee again.³²⁰

Unsurprisingly, the Review heard that apprenticeships ‘enjoy overwhelming support’ in industries in which they are the leading pathway into work.³²¹ Apprenticeships and traineeships can be

³¹⁷ ____ (2018) *Future Opportunities for Adult Learners in Victoria – Pathways to Participation and Jobs*, Discussion Paper prepared for the Department of Education and Training. <https://www.education.vic.gov.au/Documents/about/programs/adult-learners-paper.PDF>

³¹⁸ Faraone M (2019) *Holmesglen Paves the Way for Health Partnerships and Beyond*, published by the VCCI online. <https://www.victorianchamber.com.au/news-media/all/2019/10/holmesglen-paves-the-way-for-health-partnerships-and-beyond>

³¹⁹ ____ (2019) *Australian vocational education and training statistics – Apprentice and trainee experience and destinations*, National Centre for Vocational Education Research (NCVER), Adelaide.

https://www.ncver.edu.au/data/assets/pdf_file/0037/8379181/Apprentice_and_trainee_experience_and_destinations_2019.pdf

³²⁰ Student Survey response (2020).

³²¹ Submission 061 National Electrical Communications Association.



particularly valuable for equipping vulnerable learners with the connections and know-how required to pursue successful careers.³²²

The Ai Group has suggested that higher apprenticeships featuring the best elements of vocational and academic learning would appeal to a new cohort of young people.³²³ In a report for the Foundation for Young Australians, AlphaBeta predicted that introducing higher apprenticeships would ensure that young people can gain critical work experience alongside their education.³²⁴ The Commonwealth's recent announcement of advanced apprenticeships in digital technologies is evidence of interest in this area.³²⁵

The evidence base for higher apprenticeships is rapidly growing. Pilot projects and models in areas as diverse as engineering and social service have been explored by the Ai Group, the Victorian Government, and universities such as RMIT and Swinburne. These pilots have drawn on the experience of successful programs in the UK, Germany and the US.³²⁶ In a unique model, the Victorian Government's Engineering Pathways Industry Cadetship (EPIC) scheme helps people from refugee and asylum seeker backgrounds to overcome barriers to workforce participation by providing work on Victoria's major infrastructure projects while training towards a Graduate Certificate in Infrastructure and Engineering.³²⁷ FutureSkills Labs can draw on these models, and generate new versions of the higher apprenticeship model that suit their unique industries and contexts.

Recommendation 4.3 – Scale up innovation in digitally-supported learning

FutureSkills Victoria should:

- Work across Government to develop a Digital Jobs and Skills Strategy for Victoria, using the Digital Economy Skills Plan developed by the relevant FutureSkills Lab as a base.
- As part of the Strategy, work through the Digital Economy FutureSkills Lab to:
 - identify leading practice in online and blended learning, and integrate it into the development of shared curriculum
 - co-design (with industry, providers and online learning experts) online work-integrated learning models that combine frontier digital practices in industry with cutting-edge learning
 - examine best practice in ensuring equity in the use of technology in online and blended learning environments, both during COVID-19 and at other times

³²² ____ (2020) *Skills for Victoria's Growing Economy: Equity Topic Brief*, prepared for the Review by The Australian Centre for Social Innovation (TACSI).

³²³ ____ (2019) *Ai Group Submission to the Expert Review of Australia's vocational education and training system*, Ai Group. <https://cdn.aigroup.com.au/training/The%20Imperative%20of%20Higher%20Apprenticeships.pdf>

³²⁴ ____ (2018) *The New Work Reality*, Foundation for Young Australians' New Work Order report series in partnership with AlphaBeta. https://www.fya.org.au/wp-content/uploads/2018/06/FYA_TheNewWorkReality_sml.pdf

³²⁵ ____ (2020) *Industry pilot to strengthen work-integrated learning*, Minister for Education Media Release, Canberra. <https://ministers.dese.gov.au/tehan/industry-pilot-strengthen-work-integrated-learning>

³²⁶ ____ (2018) *The Imperative of Higher Apprenticeships*, Ai Group. <https://cdn.aigroup.com.au/training/The%20Imperative%20of%20Higher%20Apprenticeships.pdf>.

³²⁷ Submission 022 AMES Australia.

- develop strategies to ensure that all learners (particularly vulnerable learners) can access high-quality online learning in ways that best suit them
- use examples of best practice in online delivery to inform costings for quality digital delivery in the new VET funding model.

What this involves

The sudden COVID-19 lockdown caused a mass shift to doing business online, accelerating changes that digital technologies were already making to how Victorians live and work. While the scale of long-term change to work practices and priorities is difficult to predict, a large proportion of economic activity seems certain to continue online. Digital skills will become basic tools for almost all aspects of economic and social participation.

The skills sector has potential to lead the way towards enhanced digital capability across the Victorian economy. COVID-19 has generated innovation in online and blended course delivery across ACFE, the broader VET system and higher education. By working closely with industry as part of a digital strategy for the Victorian economy, the skills sector can continue innovating while managing risks, alongside other sectors undergoing similar changes.

The Review recommends that FutureSkills Victoria uses the Digital Economy Skills Plan developed by the Digital Economy FutureSkills Lab as the basis for whole-of-government collaboration on a Digital Jobs and Skills Strategy (a fully integrated skills and industry strategy). The Skills Plan would show how all sectors of the economy, including the skills sector itself, can develop digital capability in a way that pursues frontier practices while considering the equity implications of digital access. This approach would complement digital strategies under development in other jurisdictions, and reflect best practice in digital innovation in international leaders such as Japan.³²⁸

As part of its work on the Strategy, FutureSkills Victoria would work with the skills sector to harness innovation in digitally supported education and training, including new practices emerging in response to COVID-19. FutureSkills Insights would capture promising tools and practices, and evidence of how well they supported student learning, enabling the shift towards digitally supported delivery to remain dynamic and evidence-informed. This work would also pay attention to the significant questions about the impact of the shift to digital delivery on equity and accessibility.

This evidence base would be used in three key ways. Quality online resources, including digital assessments, would become part of the suite of shared curriculum (see 6.1). Innovative practices in education and training would be integrated with innovation in digital industry-based work environments, to create new models of digitally accessible work-integrated learning. Importantly, collation of best practice would help to inform costings for effective, digitally supported delivery, in order to inform the funding model for VET (see 3.1). FutureSkills Victoria would lead each of these activities in collaboration with stakeholders.

³²⁸ Noveck BS and Glover R (2019) *Today's Problems, Yesterday's Toolkit*, The Australian and New Zealand School of Government (ANZSOG). <https://www.anzsog.edu.au/preview-documents/publications-and-brochures/5425-today-s-problems-yesterday-s-toolkit/file>

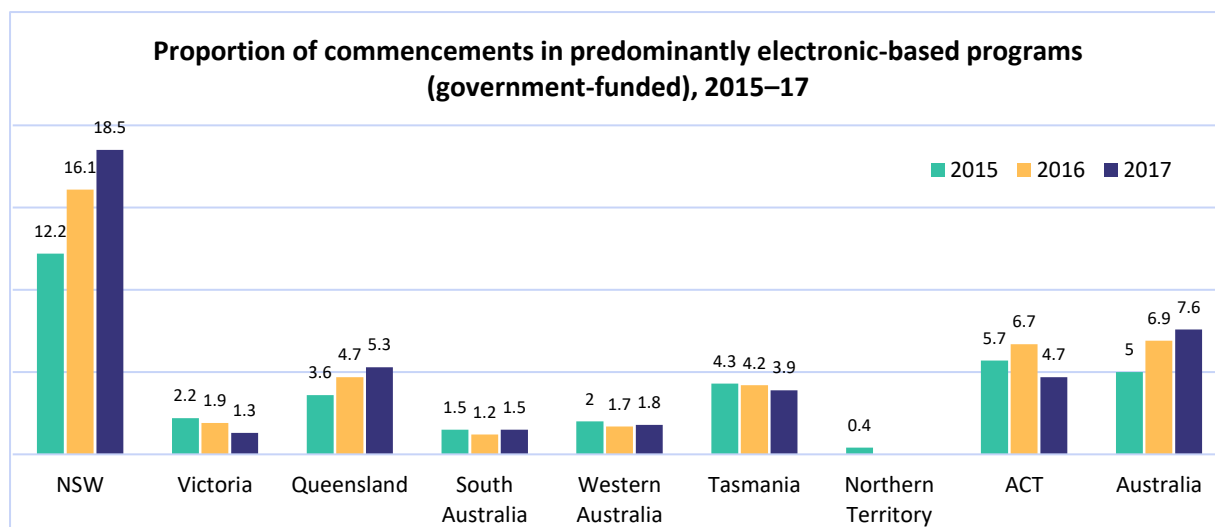
The Review recognises that the rapid shift to digital delivery in education and training creates both opportunity and risk. The evidence base of FutureSkills Victoria would support informed decision-making about the benefits of digitally-supported delivery to improve access to education and training, relative to potential losses in the quality of the learning experience, or poorer outcomes for particular student cohorts.

What we heard

The shift to digital learning during the COVID-19 crisis has been nothing short of remarkable. The timing of this Review – November 2019 to September 2020 – meant that it was engaging with providers, teachers and learners in the midst of their transition online. The Review heard of entire courses being moved online in a matter of days; of new software systems and associated education and training being implemented at dizzying speeds; and of teachers who had never engaged in substantial remote delivery suddenly discovering the opportunities and limitations of leading their classes via videoconference.

The protracted lockdown has meant that Victoria has shifted its position from being the only state with a steadily declining proportion of funded VET courses delivered online (Figure 13), to the state delivering the largest proportion of digitally supported learning.

Figure 13: National three-year trends in course commencements in online VET provision



Source: NCVER (2019) *Online delivery of VET qualifications: current use and outcomes*

Balancing innovation with quality – and positioning Victoria well both in educational quality and competitiveness in international markets – will require focused policy attention. In this context, three key messages informed the Review’s recommendations, and are detailed below:

- Ensure quality in digital delivery through collaboration and professional learning
- Co-design blended learning models that combine online and work-integrated learning
- Use online learning to expand provision, without leaving learners behind.

Ensure quality in digital delivery through collaboration and professional learning

Victoria's challenge is to analyse and capture the best of recent online learning innovation, and embed it into the 'new normal' for the post-COVID period where it can enhance quality training.³²⁹ Box Hill TAFE summed up this opportunity:

This major teaching change should not be allowed to go unleveraged but rather seize the opportunity to build on the teaching and student experience of successes and new skills that will be achieved over the coming months. There is never a better change lever than one generated out of necessity (rather than imposed by the employer).³³⁰

Tertiary education expert Francesca Beddie captured the widely-held view that the sector needs to 'harness the innovative genie the crisis has released' – with the caveat that 'the last thing I want to see is a permanent shift to online learning'.³³¹ This tempered enthusiasm reflects the majority of views on online learning encountered by the Review.

Like all teaching methods, digitally supported learning can be valuable when implemented well, but requires skill and insight into effective teaching practice. Numerous submissions echoed RMIT's view that COVID-19 had placed quality assurance at risk:

COVID-19 has led to a rapid change in delivery which has highlighted the potential of online and blended approaches in reaching at-risk cohorts, however it has exposed inconsistency and quality issues in curriculum development and delivery in VET.³³²

VETASSESS and eWorks, both recognised leaders in online learning, agreed that many VET providers lacked the time and expertise to develop online resources effectively.³³³ A growing body of knowledge – including teacher competency standards and frameworks – sets out effective teaching practice in online environments.³³⁴ Teacher professional learning that focuses on these practices will be essential to the delivery of quality online learning.

The Victorian Government requires Skills First providers that deliver content online to ensure that teachers undergo professional development specific to online learning. However, mandated professional learning may be less valuable than professional learning that arises from teachers' own curiosity and priorities, and draws on practice insights from their colleagues. COVID-19 has created a spontaneous community of practice in digitally supported delivery across the Victorian VET sector. Once the pandemic passes, it will be important to preserve this collaborative energy

³²⁹ Submission 025 Chartered Institute of Logistics and Transport.

³³⁰ Submission 009 Box Hill Institute.

³³¹ Beddie F (2020) *Tertiary education after COVID-19 – Part 1*, Pearls and Irritations public policy journal (April). <https://johnmenadue.com/francesca-beddie-tertiary-education-after-covid-19/>

³³² Submission 074 RMIT College of Vocational Education.

³³³ Submission 062 VETASSESS and eWorks.

³³⁴ Roddy C, Amiet DL, Chung J, Holt C, Shaw L, McKenzie S, Garivaldis F, Lodge JM and Mundy ME (2017) *Applying Best Practice Online Learnings, Teaching and Support to Intensive Online Environments: An Integrative Review*, Frontiers in education (November). <https://www.frontiersin.org/articles/10.3389/feduc.2017.00059/full#B64>



through professional learning communities led by the VET Development Centre within FutureSkills Victoria (see 6.6).

CASE STUDY

FIRST YEAR COLLEGE AT VICTORIA UNIVERSITY

Dual sector Victoria University (VU) is one of many Victorian providers that rapidly moved course delivery online in response to the COVID-19 pandemic. The entire transition of courses online was achieved in 15 days, leaving no time for upskilling in effective pedagogy.

Interviews with VU academics teaching in first-year courses identified three factors that supported a successful transition:

- VU had already prioritised quality student-centred pedagogy in its First Year College model, including a dedicated unit that supports high-quality ‘connected learning’
- small class sizes had been introduced as part of VU’s Block Model approach, which enabled teaching staff to respond to individual students’ needs
- VU had already established a thriving, interdisciplinary community of first-year teaching staff, who met regularly to discuss improvements to teaching and learning. This community of practice provided collegial support to turn the transition to online learning into a shared exploration of innovative teaching and assessment strategies.

All of these factors reflect evidence of what works in improving educational programs, and are likely to improve results in any learning environment – online or not.³³⁵

Co-design blended learning models that combine online and work-integrated learning

Submissions to the Review were clear that the most effective models of digitally supported learning combine elements of face-to-face and online delivery, including synchronous (real time) and asynchronous (any time) learning. One student doing a Diploma of Community Services said:

A lot of the class can be done online as COVID-19 has proven, and it should be, but not totally online. A face-to-face class at least once a month should occur to collaborate with others, become comfortable talking and presenting in public and to bounce ideas off.³³⁶

Blended models equip teachers to cater to different learning styles and lifestyles, using digital technology to enhance, not replace, more traditional learning modes.

Not all learning experiences can be delivered online. The skills sector has not embraced online learning more widely in large part because most courses need to have a practical, hands-on component delivered in an authentic work setting. DET’s Online Delivery Restriction List identifies

³³⁵ Mitchell Institute (unpublished research).

³³⁶ Student Survey response (2020).

courses that will be excluded from government funding if they are offered wholly online, and it does not fund online delivery of apprenticeships.

Yet even work placements have been a site of innovation in digital delivery. A recent Deakin University guide describes frontier practices in delivering work-integrated learning online.³³⁷ These practices, many of which sprung up as responses to the COVID-19 crisis, include:

- **Online work placements** such as Minter Ellison’s Virtual Internship,³³⁸ a free online program with four modules aligned to the law firm’s major lines of business
- **Virtual consultancy projects** such as the University of Western Australia’s Virtual Work Integrated Learning for Engineers, enabling students to practice industry-relevant employability and technical skills by developing projects for employers online³³⁹
- **Simulations**, in which students engage in scenario-based online experiences that replicate real work experiences. The Review heard many examples of innovative simulation in the Victorian skills sector. Workforce Training Innovation Fund projects include JASPER, which simulates health experiences such as difficult patient interactions; and the Virtual Picker, which enables produce pickers to experience the work before they enter the field.

Assessment of workplace skills is another important aspect of work-integrated learning. Digital tools tend to be most useful as ‘first step’ assessments³⁴⁰ of basic knowledge that underpins skills, creating opportunities for just-in-time support.³⁴¹ However, more advanced technologies have also been proposed for digital assessment of workplace-based learning. With the right technology, observing some students remotely in work-based situations could counteract the tyranny of distance, and may benefit both teachers and students.

The Review encourages the Victorian Government to provide regulatory space in which to develop these solutions by employing the innovative capacity within the system and the new opportunities presented by other proposals in this Review. The proposed FutureSkills Innovation Fund is designed to support innovation, both to meet the needs of local communities and to innovate in partnership with industry. Co-design of new teaching and learning models with industry – and with students themselves – may generate new digital solutions to challenges in VET provision, as well as cutting-edge innovation.

³³⁷ ____ (2020) *Guide for Online Work Integrated Learning (WIL) Placements and Projects*, DTeach at Deakin University.

<https://dteach.deakin.edu.au/2020/07/03/guide-for-online-work-integrated-learning-wil-placements-and-projects/>

³³⁸ MinterEllison Virtual Internship. <https://www.theforage.com/virtual-internships/theme/DjhD8YkyGyiScm9vd/MinterEllison>

³³⁹ Male S and Valentine A (2019) *Virtual work integrated learning for engineering students*, Australian Government Department of Education, Canberra. www.researchgate.net/publication/338621893_Virtual_work_integrated_learning_for_engineering_students

³⁴⁰ Luomi-Messerer K (2019). *European inventory on validation of non-formal and informal learning*

2018 update. Thematic report: How digital forms of assessment and self-assessment might place

a new challenge and opportunity for assessment methodologies. European Centre for the Development of Vocational Training (CEDEFOP).

https://cumulus.cedefop.europa.eu/files/vetelib/2019/european_inventory_validation_2018_digital.pdf

³⁴¹ Reeson A, Mason C and Sanderson T, Bratanova A and Hajkowicz S (2016) *The VET Era: Equipping Australia’s workforce for the future digital economy*, prepared for TAFE Queensland by the CSIRO.

<https://publications.csiro.au/rpr/download?pid=csiro:EP162981&dsid=DS2>



CASE STUDY

VIRTUAL TRAIN DRIVING³⁴²

Partners: Metro Trains, Exner Education, Real Serious Games, Chisholm Institute of TAFE, Swinburne University

Major government investment in the rail network has triggered a pressing demand for new, highly skilled and qualified train drivers. Metro Trains Melbourne must hire about 150 drivers a year for the next three years to address attrition, timetable changes, level crossing removals, new high-capacity trains and signalling, and the Metro Rail Tunnel project.

This project uses cutting-edge virtual reality to transform driver training. Designed with the input of Swinburne University and Safety Journey experts in fields such as neuroscience and sensory motor integration, the training promises to safely accelerate the student's skill acquisition, thus helping meet the demand for hundreds of new drivers.

The immersive, fully interactive modules are set over six kilometres of virtual track. The environment is not based on any part of the city but has a distinctive Melbourne feel. The attention to detail is impressive. Trainees sit in a full motion VR train driver simulator as they interact with console controls and the master controller. All console functions, including the cabin mirrors and radio, work as they would in real life.

Use online learning to expand provision, without leaving learners behind

Online learning can provide rural and regional students with new access to digital technology. Regional TAFEs saw exciting opportunities for addressing provision challenges, including through partnerships with their metropolitan counterparts. Wodonga TAFE said:

Regional TAFEs must develop a virtual learning environment to connect to each other and to large metropolitan TAFEs. This will allow small numbers of learners in any one location to join a virtual cohort across the state, with the added advantage of a local campus-based environment for practical work. Relevant facilities would need to be redeveloped so that TAFEs with specialist training capabilities can deliver remotely in a hub and spoke arrangement.³⁴³

For Online Education Services (OES), the delivery opportunity is above all one of scale: online provision can engage a higher number of students than face-to-face delivery.³⁴⁴

³⁴² ____ (2019) *Workforce Training Innovation Fund: Virtual Train Driving*, Department of Education and Training, Victoria. <https://www.education.vic.gov.au/skillsfirst/Documents/Workforce%20Training%20Innovation%20Fund/2019/case-studies/train-driving.pdf>

³⁴³ Submission 073 Wodonga TAFE.

³⁴⁴ Submission 021 OES.



Online learning also has the potential to open up new solutions to other equity challenges. Polysynchronous learning³⁴⁵ (combining real time and any time learning) has delivered unexpected benefits during the pandemic. RMIT's College of Vocational Education said:

We have seen reports that attendance is higher in the COVID environment for some programs and has continued for 10 weeks in some areas. Students have also expressed their satisfaction at the use of webinars and collaborate sessions which are then available at their leisure. Staff are able to be more tailored in their support for students, allowing strong students to proceed without being held up by those who need additional help. There are clear benefits here such as less time required for the fast movers and more dedicated help for those who need it.³⁴⁶

Online learning can suit students juggling work and family commitments, as well as those who prefer to learn at their own pace. English language learners or learners with a disability may benefit from accessing content multiple times or through different media.

A further benefit of online learning that has not yet been substantially realised in Australia is in providing preparatory or foundation skills courses to complement education and training. Global online learning provider The Khan Academy says it is committed to providing 'free, world-class education to anyone, anywhere' by delivering online modules in subjects as diverse as preparatory maths and life skills. In the US, about two-thirds of Khan students are the first in their family to enter tertiary education, indicating the value of just-in-time help in filling knowledge gaps for vulnerable students.³⁴⁷

Inequitable access to technology is a serious barrier to realising these equity benefits.³⁴⁸ In the student survey, a significant number of students complained about having inadequate computer hardware or software, or unstable internet connections in their homes. One teacher pointed to the deep inequalities that affect access to learning:

We are often told to maximise blended learning opportunities and increase the use of online technologies in delivery but as I sit here now working from home amidst the COVID-19 crisis, trying to work out how on earth I am going to deliver my EAL course remotely to a student cohort that includes homes that may have no computer, no Internet access or families of 8 sharing one computer - I find the assumption that increased technology in learning is the way of the future a privileged one. There are still large pockets of poverty and disadvantage and we have to continue to provide learning environments that suit all.³⁴⁹

³⁴⁵ Submission 009 Box Hill Institute.

³⁴⁶ Submission 074 RMIT College of Vocational Education.

³⁴⁷ Consultation with Khan Academy (March 2020).

³⁴⁸ Submission 074 RMIT College of Vocational Education.

³⁴⁹ Teacher Survey response (2020).



The Review recognises that these issues must be addressed if the benefits of online learning are to flow to Victoria's most disadvantaged learners. It recommends that the proposed Digital Economy Skills Plan include strategies for ensuring equity in online learning and the use of technology in blended learning environments, both during the COVID-19 period and beyond. Digital learning options could be supported by face-to-face hubs, or student bursaries for hardware, software and internet access. The budgetary implications of these options would need to be communicated to Government as part of the Digital Economy Skills Plan. They should also be integrated into FutureSkills Victoria's work on the costs of quality VET provision, with online delivery factored into the model (see 3.1).

Costing should include options for making savings through the provision of centralised platforms for online delivery. Many providers proposed such a platform, provided it was compatible with existing software. Uptake and efficiency are likely to be greatest if the platform interfaces with the growing number of Learning Management Systems (LMS) already in use. Among them:

- The VET Shared Learning Resources Community, hosted by DET, was launched this year to facilitate curriculum sharing between TAFE institutes during the pandemic.
- Online Education Services was launched as a joint venture between employment platform SEEK and Swinburne Online, and now supports a substantial proportion of Australian tertiary education providers, with potential for government partnership.
- VETASSESS and eWorks (part of Bendigo Kangan Institute), sector leaders in online learning design, proposed to establish, on behalf of government, a centralised service to develop online learning content to be licensed to TAFEs and other RTOs.³⁵⁰
- The Regional TAFE Alliance used a Master Moodle site, as Moodle is already in place in all participating TAFEs. TAFEs can upload units into their own LMS and templates.
- Victorian ACFE teachers can access professional learning resources through the ACFE Resources Web Portal and learning resources through the online A-Frame Exchange.

Other industry-specific and interstate platforms are also either in use or under development.³⁵¹ This array of options signals that development of shared services should seek to establish partnerships with leading providers in the sector, not try to replace them.

Recommendation 4.4 – Establish digital Learner Profiles and advocate for updating digital skills in VET programs and National Training Packages

FutureSkills Victoria should:

- On the FutureSkills Insights student platform, establish a system of digital Learner Profiles that record individual skills and credentials and are:

³⁵⁰ Submission 062 VETASSESS and eWorks.

³⁵¹ Norton A and Cherastidham I (2018) *Mapping Australian Higher Education 2018*, Grattan Institute. <https://grattan.edu.au/wp-content/uploads/2018/09/907-Mapping-Australian-higher-education-2018.pdf>

- informed by a framework for recognising skills and credentials across all recognised post-secondary education and training
- connected to other components of the FutureSkills Insights student platform, to help students match their skills to future courses and job requirements.

The Victorian Government should:

- Advocate at a national level to update digital skills embedded in VET programs and National Training Packages in order to cater for future digital skills requirements. This could occur as part of general training package improvements (see 6.3).

What this involves

As lifelong learning pathways become more complex, students need to be able to track the skills that they have acquired in a way that course providers and employers can recognise. This includes the mix of technical skills, general capabilities, and enterprising skills that employers are increasingly recognising as workforce priorities.

The Review recommends that Victoria’s Digital Jobs and Skills Strategy (see 4.3) include a system of online Learner Profiles to describe the skills and capabilities available within the Victorian workforce. The Learner Profiles would help learners to recognise and record their own strengths and allow employers to recognise them as well.

The Learner Profiles could be housed inside FutureSkills Insights, accessible through the student interface (see 2.2). Initially, a student’s education and training provider would complete a student’s Learner Profile with the permission of the student, based on available information and as a condition of Skills First funding. Over time, the student could add skills and achievements, and would retain control over the privacy of their personal information.

Without breaching students’ privacy or accessing their personal information, FutureSkills Insights would be able to ‘scrape’ rich data from Learner Profile information entered online. This data would support skills and workforce planning and create an unprecedented line of sight from Government to the skills that are available in the Victorian community. Providers would use the Learner Profiles to target their courses to community skills needs. The data could eventually be integrated with the Commonwealth Government’s Unique Student Identifier and third-party professional network services (such as LinkedIn or Seek). It would also have potential to enable students to map education and training experiences to their skills, providing a valuable meta-cognition tool for students to recognise their own learning.

The Learner Profiles would do more than just capture an individual’s qualifications. To record their higher education credentials, Australians already have access to online platforms such as My eEquals (digital academic transcripts and testamurs) and the USI Transcript Service (academic transcripts). The Commonwealth Government recently announced a platform for standardising access to formal education records, ‘making it easier for students to compile and present their credentials, and for

employers to verify prior learning'.³⁵² The platform will be used for higher education transcripts from 2021, with plans to add microcredentials and general capabilities at a later date.

The uptake of Learner Profiles also needs to be supported. FutureSkills Victoria should work with priority sectors (including through FutureSkills Labs) to embed use of the Learner Profiles in their recruiting and workforce monitoring, thereby creating a powerful incentive for students to keep their details up to date. Embedding the use of Learner Profiles in Working for Victoria (or similar schemes) would ensure that the Profiles recognise the skills of vulnerable Victorians. Provider uptake could be incentivised by first targeting public providers, and by making use of the Learner Profiles a condition of Skills First funding.

Development of Learner Profiles would prepare Victoria to enter a new era of digitally enabled labour market mobility. The Victorian Government could develop and implement the Learner Profiles but engage closely with Commonwealth initiatives – just as other FutureSkills Insights data initiatives would both draw on and feed into National Skills Commission work. State-level Learner Profiles should contain a focus on the VET and ACFE sectors, thereby making the whole post-secondary sector more visible in national reforms.

What we heard

Over the long term, the Learner Profiles would seek to recognise a wide range of skills, gained through formal and informal learning. The Productivity Commission recently pointed to the need to recognise the range of skills within the workforce:

The Australian Government should develop a framework to facilitate the independent accreditation of skills obtained through any learning method...A capacity to assess and accredit skills and competencies acquired outside of traditional settings should be established and funded by the Australian Government.³⁵³

In its submission, Wodonga TAFE also called for 'a new assessment framework...to recognise effort across a range of different learning journeys', to support lifelong learning.³⁵⁴

The Learner Profiles would also help meet identified student and industry needs. One student described the importance of individual profiles in making good career decisions:

I feel like many of us did not have a good idea about our own strengths and interests in order to make an informed choice.³⁵⁵

³⁵² ____ (2020) *New platform to improve student access to learning credentials*, Minister for Education Media Release, Canberra. <https://ministers.dese.gov.au/tehan/new-platform-improve-student-access-learning-credentials>

³⁵³ ____ (2017) *Shifting the Dial: 5 Year Productivity Review*, Report No.84 Productivity Commission, Canberra. <https://www.pc.gov.au/inquiries/completed/productivity-review/report/productivity-review.pdf>

³⁵⁴ Submission 073 Wodonga TAFE.

³⁵⁵ Student Survey response (2020).



The Minerals Council of Australia identified the potential value to employers of mapping ‘soft skills’ and improving processes to recognise them.³⁵⁶ The Council proposed that this mapping exercise include leading academics and industry leaders. The Review can see potential for the mapping exercise to generate valuable insight into skills needs in priority sectors, and how to fill them.

The idea of Learner Profiles in schools³⁵⁷ was extensively tested in the recent Shergold Review of Senior Secondary Pathways.³⁵⁸ Figure 14 illustrates one conceptual model of Learner Profiles for schools. According to Professor Sandra Milligan, an author of the model, the value of Learner Profiles lies in redefining the concept of success to encompass a broader range of outcomes. This ambition seems as relevant to adult learners as it does to learners in schools.

³⁵⁶ Submission 115 Minerals Council of Australia.

³⁵⁷ Milligan S, (2019) *An Alternative to ATAR*, Pursuit, The University of Melbourne. <https://pursuit.unimelb.edu.au/articles/an-alternative-to-atar>

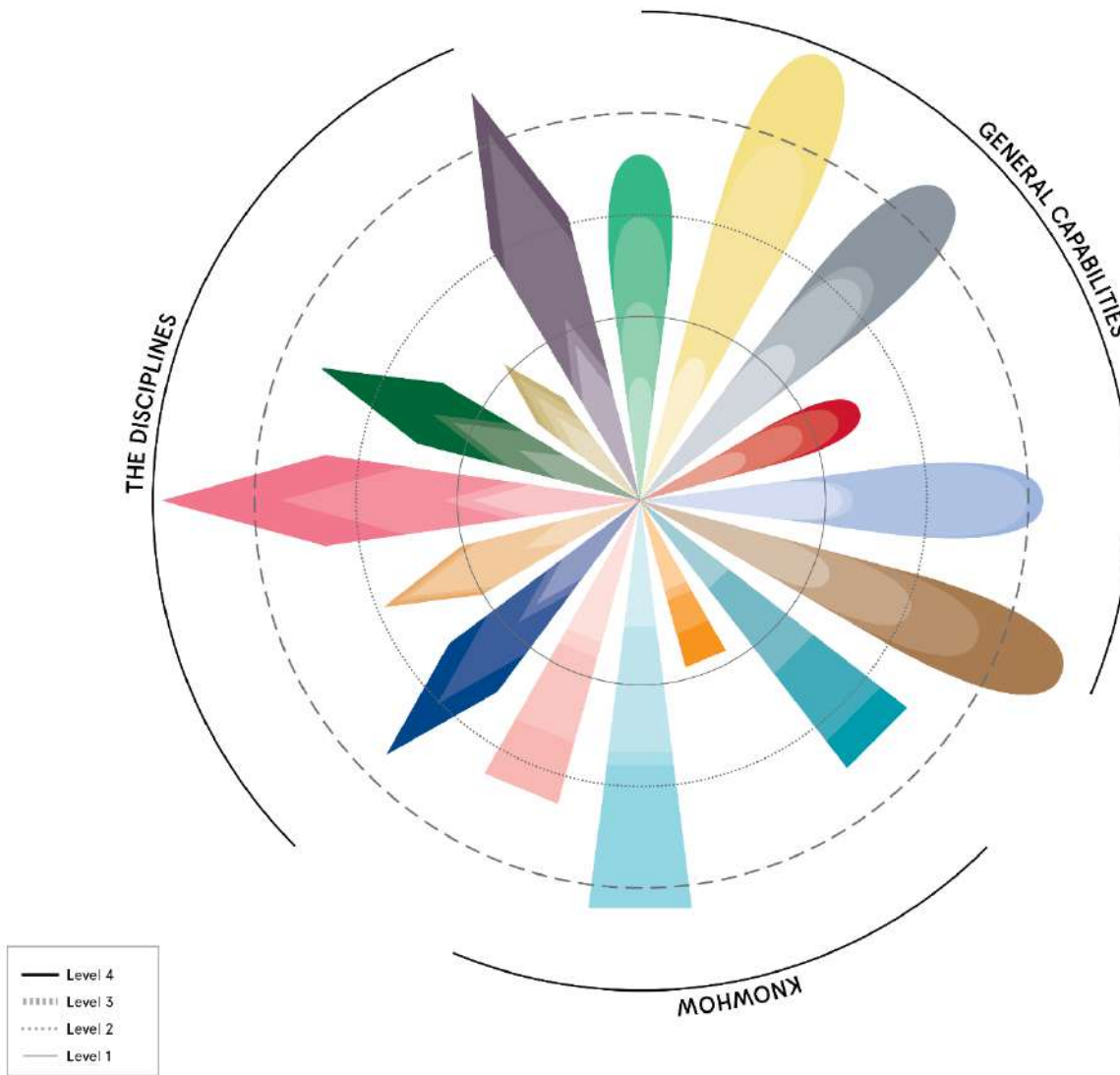
³⁵⁸ ____ (2020) *Looking to the future: Report of the review of senior secondary pathways into work, further education and training*, Education Council. <https://uploadstorage.blob.core.windows.net/public-assets/education-au/pathways/Final%20report%20-%202018%20June.pdf>



Figure 14: Conceptual model of a Learner Profile for secondary school students³⁵⁹

Learner Profile[®]

Name: First Name Second Name
 School: School Name
 Class: Class Name
 Date: 00/00/0000



The Learner Profile design would draw on models already in evidence in the system. Tom Bentley from RMIT provided the following examples of leading comparable models:³⁶⁰

- RMIT has developed a digital credentials system for short courses, all with industry endorsement, that provide learners with the capabilities and skills to meet the needs of a changing labour market: the digital credentials certify the acquisition of capabilities and skills and are awarded digitally in a way that is verifiable, secure and shareable

³⁵⁹ Milligan S (2019) *An Alternative to ATAR*, Pursuit – University of Melbourne. <https://pursuit.unimelb.edu.au/articles/an-alternative-to-atar>

³⁶⁰ Consultation with Tom Bentley, RMIT.

- The University of Melbourne’s Assessment Research Centre has created an online learner profile for secondary school students whilst also developing a microcredential assessment system to match the skills needs of local employers
- DeakinCo provides a platform for university-verified Workplace Credentials. Credentials are awarded on the basis of a reflective testimony and evidence submitted to DeakinCo.

FutureSkills Insights could engage with these providers, as well as with other leading national and international models, to design a system that works for Victorians.



5. Skills for our people: Delivering for all students and communities

The greatest impact of the skills sector occurs in communities. TAFEs and training providers help Victorian communities to innovate and are focal points for their aspirations. From the Kirby Review in 2000,³⁶¹ many reviews of education and training have stressed the importance of communities in connecting skills and jobs. Those who study locally are more likely to work locally: in Gippsland for example, 68 per cent of Federation University Bachelor graduates get jobs in the region.³⁶²

Responsiveness to communities means being responsive to students. Students from all backgrounds enrol in TAFE and training providers, bringing diverse aspirations, cultures, knowledge, experience and needs. The skills sector must deliver quality learning for all of them, along with the support they need to turn their learning into a job or further study pathway.

Like those in industry, students and communities struggle to navigate the Victorian skills sector. Reforms to make better data available are part of the solution (see 2.2 and 2.3), but real people must be there to offer guidance and support. The Review encountered many such people in the skills sector, working in institutions or specific programs, yet the dizzying array of support options that Victorian learners can access appeared to add to the complexity of navigating the sector. Too many people – both current or potential students and community members – are getting lost in the system and failing to realise the opportunities on offer.

FutureSkills Victoria can connect providers, industry and community at the system level, but it needs further capacity to create these connections within communities. This chapter proposes another body within the FutureSkills Victoria architecture: an adapted model of the Skills and Jobs Centres (SJs) that already operate within Victorian TAFEs. By using a familiar service and expanding its role to connect a range of services, the Review aims to establish one place for improved access to valuable opportunities and support.

To enable systemwide collaborative structures and initiatives to provide coherence and support to local initiatives, the Review proposes locating the expanded SJs within FutureSkills Victoria. Too often, local partnerships are forced to patch together policies and investment streams created in silos. It is neither fair nor efficient to impose the burden of collaborative projects that seek to generate jobs and skills onto the local community. The lessons of these local initiatives must also inform the system's work to lift innovation and growth across the Victorian economy.

³⁶¹ Kirby P (2000) *Ministerial Review of Post Compulsory Education and Training Pathways in Victoria*, Final Report to the Department of Education, Employment and Training, Victoria. <https://digitised-collections.unimelb.edu.au/bitstream/handle/11343/115784/scpp-01185-vic-2000.pdf?sequence=1&isAllowed=y>

³⁶² ____ (2018) *FedUni major contributor to growth of regional Australia*, Media Release Federation University. https://federation.edu.au/fednews?announcement_id=25088&action=view_announcement&origin_url=http://federation.edu.au/fednews&category_id=



Recommendation 5.1 – Expand Skills and Jobs Centres to connect local people, skills and jobs

The Victorian Government should:

- Establish expanded Skills and Jobs Centres (SJs) within FutureSkills Victoria to:
 - provide a visible on-the-ground focal point for industry, providers and communities to plan together, support local learners to access the skills needed to get good jobs, and to ensure that skills needs of local businesses and economies are articulated, understood and met
 - provide independent careers support for learners, and broker transitions into education and training that leads to good jobs and careers
 - maintain strong relationships with employment services by collaborating with partners of the Jobs Victoria Employment Network, and by promoting skill development opportunities to Jobactive services
 - broker stronger connections between vulnerable Victorians and other support services, including Wurreker Brokers and Koorie Liaison Officers (KLOs), Education First Youth Foyers, Skills First Reconnect providers and Local Learning and Employment Networks (LLENs)
 - bring Principal Regional Advisors (PRAs) into the expanded SJs model, increasing the capacity to broker joined-up efforts across education and training providers to deliver skills for larger-scale projects
 - integrate the Victorian Government’s TAFE and Training line
 - develop innovative local skills projects that can apply for funding through the FutureSkills Innovation Fund
 - develop the capacity of multiple training providers to meet local industry skills needs that are not financially viable for any one institution.
- Invest in expanded SJs through:
 - an expanded and ongoing budget that can deliver the collaborative FutureSkills Victoria approach at the local level, to ensure that the skills system is equipped to meet the current and future needs of local learners and businesses
 - facilitating investment in priority local projects, including through access to the FutureSkills Innovation Fund (which would absorb a component of the Regional and Specialist Training Fund (RSTF)).
- Position SJs as part of FutureSkills Victoria, emphasising their roles in delivering against the Victorian Skills Plan and the state’s economic recovery plan, supporting grassroots innovation

that helps meet Victoria’s skills and economic needs, and participating actively in a more networked Victorian skills system.

What this involves

The proposal involves integrating two successful initiatives that support Victorian students and communities and bringing them under FutureSkills Victoria:

- **Skills and Jobs Centres (SJs)** located in all TAFEs and dual sector universities, are designed to be ‘one-stop-shops’ for advice on careers, training, referrals to student support, Recognition of Prior Learning (RPL), apprenticeships, and local skills needs. Training and course advice make up over half the services they deliver, with referrals and career counselling being less common activities.³⁶³ Those SJs that deliver career counselling and job readiness services are well utilised and are performing strongly.³⁶⁴
- **Principal Regional Advisors (PRAs)** are a small group of six officers employed at DET central office who spend significant time across metropolitan and regional Victoria. These advisors broker connections between education and training providers, industry and communities, particularly in relation to accessing Workforce Training Innovation Fund and Regional and Specialist Training Fund (RSTF) grants. Their day-to-day tasks include helping employers understand the training they need for their workforce, helping a TAFE plan a course to respond to a local employment opportunity, and attending local committees and taskforces. The Review was impressed with what PRAs have achieved in assisting providers and industry to collaborate for the benefit of their communities.

The Review recommends combining these two initiatives in an expanded SJC model. The expanded SJs would employ current and additional PRAs to build on existing capacity, and use FutureSkills Insights data to develop local strategies to deliver the Victorian Skills Plan. Additional SJC career and transition advisors would also be required to provide support to the wider community, including new job seekers affected by the COVID-19 crisis.

The expanded SJs would bring together diverse local initiatives, improve pathways from training to skilled work, and reduce the chance of learners falling through the gaps. They would stimulate and incubate collaborative projects that help to create future-ready communities and businesses that can adapt and grow. A single point of engagement and coordination would clarify and consolidate the role of SJs by addressing some duplication and confusion that are currently evident in their work.³⁶⁵ Above all, it would improve access to local skills and jobs, and become a focal point for community collaboration to drive economic recovery.

Enhanced careers support in expanded SJs would take a broad view across the training and employment landscape, helping students to plan a career or lifelong learning pathway, not just

³⁶³ DET Administrative Data (unpublished).

³⁶⁴ DET Administrative Data (unpublished).

³⁶⁵ Consultation with Skills and Jobs Centre staff (August 2020).



course advice. Learners would be supported to create a Learner Profile (see 4.4), and to consider an appropriate pathway using FutureSkills Insights to identify suitable local options.

The expanded SJs would also provide a stronger local structure for connecting to targeted jobs and skills programs such as the Skills First Reconnect program for job seekers, Education First Youth Foyers for young people at risk of homelessness, and support for Koorie learners under the Wurreker strategy. Each of these programs provides Victorians with opportunities to build new skills and pathways to employment, and all will be needed to mitigate the effects of recession. Strong connections between these programs and the expanded SJs could give vulnerable learners a single point of entry into an array of tailored supports.

SJs would offer a single point of connection between programs to support all learners and ensure continuity of support. DET's network of 31 Local Learning and Employment Networks (LLENs) also enable local connections between work and learning, especially for school-age young people. Expanded SJs would connect with LLENs to extend local brokering support at all stages of the learning journey.

SJs would receive increased and ongoing base funding, reflecting growing economic and community need (including for more SJs), and the enhanced benefits that a strong local FutureSkills Victoria presence would deliver for local economies. An internal evaluation of the current model of SJs endorsed the savings they deliver to the state economy through improved employment outcomes, increased VET enrolment and completions, and by 'funnelling' students into in-demand skills.³⁶⁶ The Review recommends funding expanded SJs at a level that enables them to attract expert career and transition support staff, and fulfil the range of functions proposed.

Rolling a portion of DET's RSTF into the FutureSkills Innovation Fund could expand the pool accessible to SJs for collaborative projects. Combining this with current WTIF funding would also create a single pool of funds for both regional and industry-specific innovation, creating the potential for expanded SJs and FutureSkills Labs to work together on projects that bring priority industries into local economies. This change would also resolve ambiguity around the purpose of the RSTF, which appears to have been used both to support innovation and to meet skills needs that may have been better covered through core VET funding.

What we heard

The proposal for expanded SJs responds to the following needs expressed to the Review:

Create an independent source of advice and support to connect Victorians with jobs and skills

Moving expanded SJs into FutureSkills Victoria would address an identified need for independence from any single provider, while also improving their connections to system-level collaboration. The

³⁶⁶ DET Administrative Data (unpublished).

Brotherhood of St Laurence (BSL) suggested that the services SJs offer ought to be ‘promoted as a public service for the community as a whole’.³⁶⁷ Some SJs already operate as centres for job seekers, career explorers and retrenched workers, providing specialist services to assist with career and employment transitions for students and members of the local community. Moving expanded SJs under FutureSkills Victoria would resolve any remaining tensions, noted by some SJC staff, about their role within the TAFE vis-à-vis the broader community.³⁶⁸

Greater independence from their host TAFEs may also help SJs broker partnerships between TAFEs and private or not-for-profit RTOs, as well as with local ACFE providers. The Review heard mixed views about the relationship between ACFE providers and SJs. ACE Victoria raised concerns that TAFE-based staff seldom refer students to ACFE providers, even if they have no Free TAFE places available,³⁶⁹ whereas the ACFE Board reported some successful partnerships with some SJs, and even-handed referral pathways.³⁷⁰ Locating SJs within FutureSkills Victoria would create a stronger impetus to work collaboratively.

By taking a wider community role, SJs could forge stronger connections to employment services, including Jobactive and Jobs Victoria Employment Network (JVEN) services. While SJs sometimes work collaboratively with JVENs, they have not yet achieved the ‘formal, program-level relationship’ recommended in the SJC evaluation.³⁷¹ Relationship-building seems even more critical for Jobactive services, as the Review heard that they may actively deter job seekers from putting training before work, even for foundation skills courses that will improve their long-term career prospects.³⁷² By empowering expanded SJs to lead local skills and jobs initiatives, Victoria can send a powerful signal to the Commonwealth that it intends to create not only employment but long-term skilled jobs and economic growth.

Moving SJs into FutureSkills Victoria would not weaken TAFEs’ role in local communities. TAFEs would remain key contributors to local collaborations, continuing the ‘anchor’ role that many already play in regional economic development,³⁷³ and partnering with community services to deliver for vulnerable Victorians. The Review heard many examples of outstanding local collaborations with TAFEs or dual-sector universities, including Skilling the Bay (led by The Gordon in Geelong), Federation University and TAFE Gippsland’s contribution to economic renewal in the Latrobe Valley, and Victoria University’s involvement in local initiatives in the west of Melbourne. The establishment of an independent role for SJs would enable TAFEs to focus their resources on their own unique contribution.

Drive evidence-based local planning for jobs and skills

Many submissions to the Review identified the need for better planning for skills and jobs at the local level. South West TAFE pointed to the scale of the current problem in its area:

³⁶⁷ Submission 072 BSL.

³⁶⁸ Consultation with Skills and Jobs Centre staff (August 2020).

³⁶⁹ Submission 095 Adult and Community Education Victoria (ACE Vic).

³⁷⁰ Consultation with ACFE Board.

³⁷¹ DET Administrative Data (unpublished).

³⁷² Submission 039 VicTESOL.

³⁷³ Submission 098 TAFE Gippsland; Submission 009 Box Hill Institute.



There are 22 Registered Training Providers listed on the MySkills Website operating within a 100km radius of Warrnambool. These include two TAFEs, 18 private and school-based RTOs, one group training company and one dual sector university (RMIT). Most of the private RTOs have a relatively small scope of registration (i.e. less than 10 qualifications) and many only deliver VETDSS courses...The Productivity Commission's NASWD Interim report recommends partnership and collaboration to better harness the diversity of offering and produces superior educational outcomes for students. Current educational delivery creates enormous inefficiencies in smaller communities and the assumption that competition produces better outcomes has proven incorrect.³⁷⁴

The Victorian Government has already invested in place-based skills demand data, both through the Office of the Victorian Skills Commissioner's Regional Skills Demand Profiles (developed by Regional Skills Taskforces) and the Local Labour Market Needs Dashboard (although the Dashboard is not publicly available, nor are insights from it openly shared with the sector). What is needed now is sustained, on-the-ground capacity to coordinate local efforts to use and share data for future-focused and transparent planning, and to feed local planning insights back to FutureSkills Insights.

Local planning is more than just a matching exercise to get more Victorians into existing jobs. AiGroup recognised the opportunities to co-create *new* jobs and careers by supporting individuals, businesses and training providers to work together:

A system of regional and local hubs that develop strategies to meet local skill needs and tackle unemployment will assist large and small companies and students to create innovative solutions and boost local innovation systems. They can develop industry-student-provider engagement models that foster and increase relationships and result in industry-tuned workforce entrants.³⁷⁵

Similarly, the BSL urged the Victorian Government to 'harness local effort' through collaboration to create new opportunities for youth employment.³⁷⁶ International evidence also describes the 'critical role of regional (place-based) innovation ecosystems in developing an intelligence-based economy'.³⁷⁷ SJC's access to the FutureSkills Innovation Fund would meet the current need for sustainable funding for local innovation.³⁷⁸

Offer tailored advice that matches learners with skills and job opportunities

The expanded role for SJC's is intended to ensure that a learner has an eventual transition to work front-of-mind even at the beginning of his or her decision-making process. While many career

³⁷⁴ Submission 079 South West TAFE.

³⁷⁵ Submission 105 AiGroup.

³⁷⁶ Submission 072 BSL.

³⁷⁷ Submission 104 RMIT and Melbourne Sustainable Society Institute (MSSI).

³⁷⁸ Submission 055 Buloke Shire and North Central LLEN.



advisors are dedicated to providing a quality service, the Review heard that the entire pre-enrolment experience does not always get learners onto the right track. Current pre-enrolment assessments are reportedly variable, and often not administered well enough to provide information that will help the student person choose the right course, much less to visualise a pathway through training and into employment.³⁷⁹

SJCs could assess pre-enrolment capabilities more broadly to match students with learning and other support by examining not just what learners know, but their suitability for their chosen sector, and the support (such as foundation skills training) available to scaffold their pathway into work. The Civil Contractors Federation Victoria argued:

Career assessment, identifying the students natural fit for occupational areas is also an important investment that government could integrate into delivery models. CCF VIC Recommends that the Review investigates the impact and value of facilitating the implementation of career assessment processes prior to individuals making the choice to enter the industry.³⁸⁰

AMES Australia argued that such an approach would also draw on the learner's strengths:

Assessing learner needs within the program development stage is a key indicator of quality practice. A good program takes account of what each learner brings with them and builds on this to achieve the course's planned educational and employment outcomes.³⁸¹

Some Victorian RTOs already undertake this bespoke assessment, reflecting best practice in career advice. SJCs would work with local employers to ensure that potential future employees can be identified and encouraged from their first encounter with the system.

Expanded SJCs could also play a stronger role at the end of a course, at the transition into the workforce. Students and teachers identified this as an area of need:

There isn't a very good connection between TAFE study and accessing work and/or job agencies.³⁸²
We do this ad hoc; it could be more formalised. We have excellent industry contacts, so we assist students into employment as do our placement coordinators.³⁸³

³⁷⁹ Submission 020 BKI; Teacher Survey responses (2020).

³⁸⁰ Submission 036 Civil Contractors Federation Vic.

³⁸¹ Submission 022 AMES Australia.

³⁸² Student Survey response (2020).

³⁸³ Teacher Survey response (2020).

Wodonga TAFE stood out as using its SJC to support transitions to the workforce, offering one-to-one career planning sessions to students nearing completion – but it argued it could do even more to maintain support through the critical first few weeks in the workforce.³⁸⁴

Connect disparate programs to offer ‘no wrong door’ support

The array of support programs available to Victorian job seekers and learners can be daunting. The Review heard that even well-regarded programs struggle to be noticed by target populations amidst the many delivering similar support (sometimes with similar names). Program-specific eligibility requirements also cause confusion, with vulnerable cohorts being recruited to programs they are not eligible for.³⁸⁵ Young people, in particular, need one visible place, not many, for advice on skills and jobs.³⁸⁶

The proposal for expanded SJs would offer Victorians a single, authoritative source of information to access support. It would integrate the TAFE and Training Line (a free Victorian Government service), offering more local, personalised connections that can be followed through. There is also benefit in establishing a common point from which support programs can connect with each other and with local employers, rather than multiple services approaching businesses with similar requests.³⁸⁷

Recommendation 5.2 – Embed self-determination for local Koorie communities

The Victorian Government should:

- Equip FutureSkills Victoria to:
 - work with education and training providers to improve cultural safety in all forms of provision, and promote Koorie involvement in institutional leadership
 - support delivery of courses relevant to Koorie culture and identity, including Aboriginal languages and other skills that build Koorie communities’ strength
 - collaborate with DET on ways to streamline the process by which Aboriginal Community Controlled Organisations can enter the training market.
- Embed practical support for Aboriginal Victorians into expanded SJs to ensure that local initiatives contribute to self-determination for Koorie communities by:
 - expanding the Wurreker Broker initiative so that Koorie communities are adequately represented in all SJs, and providing increased funding for Wurreker Brokers and Koorie Liaison Officers

³⁸⁴ Submission 073 Wodonga TAFE.

³⁸⁵ DET Administrative Data (unpublished).

³⁸⁶ Consultation with Education First Youth Foyer Kangan Institute, Broadmeadows (November 2019).

³⁸⁷ Ibid.

- ensuring that a new Koorie Skills Plan is embedded within the Victorian Skills Plan and refreshed annually
- developing community initiatives for Koorie-led models of education and training to be considered for support through the FutureSkills Innovation Fund.
- While Wurreker Brokers will be co-located with other support services in expanded SJs, they will remain employed by and under the remit of the Victorian Aboriginal Education Association Inc. (VAEAI) as per the Self-Determination Reform Framework.

What this involves

As Victoria's First Peoples, Koorie communities have a special place in the state's economic and social development. The COVID-19 crisis hit as the Victorian Government was making progress towards an historic Treaty with Aboriginal people, building on its existing commitments to Aboriginal self-determination.³⁸⁸ The skills sector needs to contribute to Aboriginal communities' economic resilience in the post-COVID recession, and to help build their capacity to achieve longer-term aspirations. Empowering Aboriginal communities requires recognition of their strengths as well as their needs. Aboriginal and Torres Strait Islander people often experience the 'bigotry of low expectations',³⁸⁹ both about the level of learning they can attain, and the value of the knowledge and skills they bring to their classrooms and workplaces.

Representation of Koorie communities on the FutureSkills Victoria Board would be essential (see 1.1). The skills sector is key to the educational and economic empowerment of Aboriginal communities: in 2018, Aboriginal Victorians aged 18-24 were more than twice as likely to be participating in VET as their non-Aboriginal peers (44.6 and 20.2 per cent respectively), according to VAEAI.³⁹⁰ The Review identified three specific policy directions for the development of Koorie skills:

Commit to creating culturally safe learning environments

Koorie communities are clear about the importance of learning environments that 'affirm or reaffirm Culture in the lives of Koorie peoples and communities'.³⁹¹ Cultural affirmation for Koorie students requires more than dedicated support services; it requires inclusive institutional cultures committed to fostering culturally safe and welcoming learning environments that treat all people with dignity and respect and seek to address disadvantage through self-determination, agency and empowerment.³⁹² The Review recognises that culturally safe learning spaces for Koorie learners are created gradually, by 'building layers of culturally competent practices'.³⁹³ It requires strong leadership that is responsive to Koorie perspectives, and is committed to doing the hard work of

³⁸⁸ ____ (2019) *Self-Determination Reform Framework*, Department of Premier and Cabinet. www.aboriginalvictoria.vic.gov.au/self-determination-reform-framework

³⁸⁹ ____ (2020) *Skills for Victoria's Growing Economy: Equity Topic Brief*, prepared by The Australian Centre for Social Innovation (TACSI).

³⁹⁰ Submission 116 Victorian Aboriginal Education Association Inc (VAEAI).

³⁹¹ Ibid.

³⁹² ____ (2020) *Skills for Victoria's Growing Economy: Equity Topic Brief*, prepared by The Australian Centre for Social Innovation (TACSI).

³⁹³ Ibid.



Reconciliation and relationship-building over time. The Review wants to foster this spirit of collaboration and engagement across the skills sector.

Cultural change can also be achieved through increasing the diversity of the skills sector workforce. Employment of Koorie people by education and training providers, especially at a senior level, enables a strong Aboriginal voice to be heard in decision-making.³⁹⁴ Some RTOs already engage Aboriginal alumni to deliver tutorial support for learners, while others support ‘Elders in residence’ programs.³⁹⁵ The Review was advised that one Victorian TAFE has recently released its first Reconciliation strategy. Through flexibility and partnership, more entry points can be created for future Koorie leaders to influence and shape the skills sector.

Deliver skills that grow strong Koorie culture and identity

The introduction to this report highlighted the need for future-ready workers to have life skills as well as technical skills. For Koorie communities, knowledge of culture and Country can be a powerful source of strength and self-confidence:

Imparting our knowledge engages and empowers us to make our mob strong and when they become strong, they can do anything.³⁹⁶

Such knowledge leads to better outcomes in life, work and learning. To nurture it, the Government should invest in knowledge and skills specific to Koorie culture. Through the skills sector, the Government can provide an architecture in which Indigenous knowledge can be connected with non-Indigenous learning, to the benefit of all learners.

Indigenous culture can further cultivate a strong identity by preserving and renewing language. In 2019, the Victorian Government funded delivery of the Certificate IV in Teaching an Endangered Aboriginal Language (Cert IV TEAL), supplemented by funds from the Regional and Specialist Training Fund (RSTF). Both the Cert IV TEAL and Certificate III in Learning an Endangered Aboriginal Language (Cert III LEAL) were added to the Funded Course List through the Victorian Training Guarantee. Eleven students completed the Cert III LEAL in 2019, and eleven students started the Cert IV TEAL in May 2020.³⁹⁷

Government analysis of course delivery found that these courses were more expensive to deliver than other VET courses, due to small cohort sizes and a high proportion of learners with vulnerabilities.³⁹⁸ Providers wanting to deliver the courses therefore need to seek additional funding. The analysis also noted tensions between cultural protocols and compliance issues, highlighting the challenges of situating Indigenous knowledge within a non-Indigenous worldview.

³⁹⁴ ____ (2019) Promoting participation and engagement for Koorie learners in VET, Discussion Paper, Department of Education and Training. See: <https://engage.vic.gov.au/koorie-learners-vet>

³⁹⁵ Ibid.

³⁹⁶ Ibid.

³⁹⁷ DET Administrative Data (unpublished).

³⁹⁸ DET Administrative Data (unpublished).



With RSTF funding currently paused, the future of Aboriginal language courses in Victoria is uncertain.

These courses provide a critical example of the publicly funded skills sector playing a role in Victorian communities that a commercial model cannot. By definition, the Cert IV TEAL and Cert III LEAL courses convey knowledge and skills that are ‘endangered’. Without support, an important channel for the renewal of Indigenous languages in Victoria will be lost. As Victoria moves towards a Treaty, it needs to consider how it will fund the development of Indigenous cultural knowledge through flexible course and qualifications design that accords with Indigenous understanding of quality learning. This need is also relevant to other skills such as land and cultural heritage management – both of which have nationally-recognised VET courses.

Delivering skills relevant to Koorie communities requires institutions and individuals to teach them. At present Victoria has only two Aboriginal RTOs: the Victorian Aboriginal Community Services Association Limited and the Victorian Aboriginal Community Controlled Health Organisation. In light of the potential tensions between culture and compliance, Victoria could consider streamlining the process by which Aboriginal Community Controlled Organisations (ACCOs) can enter the training market. As the largest employers of Aboriginal Victorians,³⁹⁹ ACCOs have great potential to create innovative models for Aboriginal people to work and gain a qualification.

Connect Wurreker initiatives to expanded SJs to strengthen local connections

Local initiatives are more likely to respond to the distinctiveness of local Koorie networks and social structures,⁴⁰⁰ and to ensure that skills and jobs initiatives respect connections to country and community. The Victorian Government’s 2019 Self-Determination Reform Framework prioritises ‘strategies to increase regional engagement to ensure government-funded programs are responsive to local Aboriginal needs, priorities and aspirations’.⁴⁰¹

Two key local initiatives support Koorie participation in education and training:

- Victoria’s eight **Wurreker Brokers** are employed by VAEAI to maintain strong networks to facilitate the flow of information between skills sector stakeholders and Koorie communities. They provide advice to training providers, help to develop training strategies and programs for Koorie students and communities; and identify and share best practice for Koorie learners. They also have a crucial liaison role with Local Aboriginal Education Consultative Groups in their region.
- **Koorie Liaison Officers (KLOs)** are employed by Victorian TAFEs and dual sector universities (within their compulsory Wurreker plans), to ‘promote learning opportunities to community and build the capacity of the training provider to deliver culturally inclusive training’.⁴⁰² The number of KLOs per institution varies from a minimum part-time workforce to multiple KLOs

³⁹⁹ Submission 116 VAEAI.

⁴⁰⁰ Hunt J (2013) *Engaging with Indigenous Australia – exploring the conditions for effective relationships with Aboriginal and Torres Strait Islander Communities*, Issues paper no. 5 produced for the Closing the Gap Clearinghouse, Australian Government Canberra. <https://www.aihw.gov.au/getmedia/7d54eac8-4c95-4de1-91bb-0d6b1cf348e2/ctgc-ip05.pdf.aspx?inline=true>

⁴⁰¹ _____ (2019) *Self-Determination Reform Framework*, Department of Premier and Cabinet.

⁴⁰² Submission 116 VAEAI.



working full-time. Their role may focus on supporting existing students, or broader community outreach activities.

- Some TAFEs have additional dedicated Koorie support roles, including Koorie Advisory Committees and Koorie Unit Managers. The level and quality of Koorie support varies, as does the quality of TAFEs' connections with Koorie communities.⁴⁰³

The Review sees parallels between these two roles of community brokering, and individual support and the current roles that expanded SJs fulfill within the TAFE sector. Close engagement between expanded SJs, Wurreker Brokers and KLOs would enable two-way sharing of expertise and support consistent with the principle of subsidiarity, involving a commitment to 'true partnership which embraces mutual learning'.⁴⁰⁴ Wurreker Brokers would remain employed by and under the remit of VAEAI as per the *Self-Determination Reform Framework*, yet they would also have the opportunity to work closely with KLOs within SJs to promote collaboration and the delivery of holistic support services to students.

The Review also heard that Wurreker Brokers are stretched too thinly across the state. A more tailored distribution is required to ensure that communities with high proportions of Koorie learners receive enough support. To embed both Wurreker Brokers and KLOs at the heart of the skills system, as recent consultations have proposed, adequate funding should be provided to the VAEAI.⁴⁰⁵

Wurreker Brokers could also support the development of a Koorie Skills Plan that would feed into the Victorian Skills Plan proposed in this report (see 2.2). Victoria has previously developed Koorie State Training Plans in partnership with the VAEAI's Wurreker Brokers through the existing Marrung governance structure, which included Regional Profile data on Koorie VET learners. The VAEAI argued that such plans should be reinstated, as they 'could play a key role in guiding Koorie learners, employees and businesses through industry adaptations resulting from the implementation of Treaty'.⁴⁰⁶ The Review supports the creation of an annual Koorie Skills Plan using FutureSkills Insights data, as part of a system-wide move to evidence-based planning.

Recommendation 5.3 – Scale up and connect leading models of student support

The Victorian Government should:

- Expand funding for successful programs for vulnerable job seekers and young people at risk of homelessness, including:
 - the Skills First Reconnect program

⁴⁰³ ____ (2019) *Promoting Participation and Engagement for Koorie Learners in VET Discussion Paper*, Department of Education and Training, Victoria. https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/6415/5443/3718/Promoting_participation_for_Koorie_learners_in_VET_Discussion_Paper.pdf

⁴⁰⁴ ____ (2017) *Why subsidiarity is central to closing the gap*, Caritas blog. <https://www.caritas.org.au/learn/blog/blog-detail/why-subsidiarity-is-central-to-closing-the-gap>

⁴⁰⁵ ____ (2019) *Promoting Participation and Engagement for Koorie Learners in VET Discussion Paper*, Department of Education and Training, Victoria.

⁴⁰⁶ Submission 116 VAEAI.

- Education First Youth Foyers, including the establishment of new Youth Foyers connected to SJs at all regional TAFEs.

FutureSkills Victoria should:

- Create a more connected model of student support by:
 - using examples of best practice in student support to inform costings for the loadings for different student cohorts in the new VET funding model
 - providing career and transitions support through expanded SJs, and combine career advice with referrals to other forms of financial, health and social support
 - funding expanded SJs to provide wraparound case management and support to more students
 - identifying leading models of student support and commission leading providers to create guidance for all VET and ACFE providers about effective programs and best practice
 - supporting teachers and their institutions to monitor student progress and raise awareness of available supports
 - investing sufficiently in expanded SJs to ensure effective student case management throughout the learning process, as well as a shared model for specialised student support.

What this involves

The most vulnerable Victorians require well-designed, accessible support programs to connect them with skills and jobs. Two programs stand out:

- **Skills First Reconnect** supports vulnerable, long-term unemployed young people and adults to overcome barriers to training and work. At present 26 TAFE and Learn Local providers deliver Reconnect programs, which include support for learners to access other specialist services such as health, accommodation and relationship guidance. A 2018 evaluation showed that Reconnect had engaged more than 2,500 participants, about two-thirds (65 per cent) of whom had enrolled in accredited training.⁴⁰⁷
- **Education First Youth Foyers** provide 40 beds each for eligible young people who are homeless or at risk of homelessness. Developed by Hanover (now Launch Housing) and the BSL, the three Foyers co-deliver the Certificate I in Developing Independence in partnership with their host TAFEs: Holmesglen, Kangan, and Goulburn Ovens. They enter into a reciprocal ‘deal’ with participants to undertake learning towards a minimum of a Year 12 or equivalent qualification.

The BSL’s 2019 evaluation found that each Foyer ‘substantively improves participants’ education, employment, housing, and health and wellbeing outcomes, and these improvements are largely

⁴⁰⁷ DET Administrative Data (unpublished).

sustained a year after exit'.⁴⁰⁸ A 2019 cost-benefit analysis also found 'a strong case for continued and expanded investment in Foyer services,' noting that their relatively high cost compared to other services was offset by a benefit of around \$10 million (based on modelling of outcomes from a Foyer cohort of 331 young people).⁴⁰⁹

Both these programs should receive ongoing funding. Given its demonstrated success, the Reconnect program should not be subject to funding uncertainty. Regular monitoring and evaluation can ensure that the program continues to meet its objectives. The Review also recommends expanding the Youth Foyers initiative to all TAFEs in regional Victoria, with land provided by TAFEs and funding by the Department of Health and Human Services. Wodonga TAFE told the Review that it is developing a feasibility study for an Education First Youth Foyer for Albury-Wodonga which could be a blueprint for adopting the model in regional Victoria.⁴¹⁰ In future, FutureSkills Victoria could also examine the potential for further expansion of Youth Foyers within metropolitan TAFEs.

Students must continue to have access to support throughout their learning journey. In many cases, once a student enrolls in a provider, the best source of support will be the provider itself. The new VET funding model led by FutureSkills Victoria must adequately fund ongoing support to students (see 3.1), based on best practice support services for diverse cohorts. The complementary career and transition support provided through the expanded SJs will enable providers to focus more intensively on the kinds of support that enable students to complete their course and get ready for life and work.

FutureSkills Victoria's collaborative approach could produce a further gain in student support. The key role of community services organisations in its governance would support the development, identification and sharing of best-practice approaches, while the local presence of the expanded SJs – as well as providers themselves – can translate these approaches into meeting local needs. This approach mirrors elements of the proposed model for collaborative curriculum development (see 6.1) within the transformation of TAFE and VET from a competitive to a more collaborative system. It also builds on communities of practice that are already springing up among SJC teams.⁴¹¹

In making these recommendations, the Review is aware that related service systems can better address many issues students face. This point reinforces the need for Government to position the skills sector as a contributor to an integrated strategy for economic and social recovery from the COVID-19 crisis and into the future. As more Victorians move in and out of training and the labour market, all support services must be better connected than ever.

What we heard

The proposals for student support respond to the following needs expressed to the Review:

⁴⁰⁸ ____ (2019) *Education First Youth Foyers – Economic evaluation*, KPMG report for the Brotherhood of St Laurence. http://library.bsl.org.au/jspui/bitstream/1/11374/1/Coddou_etal_Starting_a_future_Education_First_Youth_Foyers_outcomes_2019_summary.pdf

⁴⁰⁹ ____ (2019) *Education First Youth Foyers – Economic evaluation*, KPMG report for the Brotherhood of St Laurence.

⁴¹⁰ Submission 073 Wodonga TAFE.

⁴¹¹ Consultation with Skills and Jobs Centre staff (August 2020).



Provide students with support at all stages of learning, from decision-making to employment

Student success in learning and course completion benefits the student, the community, and the Victorian economy. One teacher put forward his or her vision for student support:

Excellence for me is a learning environment where all learners of different abilities and experiences of education are welcomed, encouraged and supported through their learning journey.⁴¹²

In 2019, over 60 per cent of non-completers reported that they had achieved their main training goal. That leaves around 40 per cent who left for less positive reasons.⁴¹³ Stakeholders agree that no single reason explains VET non-completion. Possible reasons include mental health, financial and caring responsibilities, youth or immaturity, housing issues, short-term focus, or other factors that generate ‘pressures and reasons for change’.⁴¹⁴

In research for the Review, the BSL investigated why students seek support and what types of support have made a difference. The reasons for seeking support are listed below:

Learning related needs – including interpreting material, clarifying assessments, literacy and numeracy development needs

Social and emotional needs – including mental health, financial aid, transport, housing and relationships

Employment-related needs – including skill development for seeking work, preparing resumes, undertaking job interviews, career planning advice and balancing study and work demands

Diagnostic assessment of additional needs – including learning needs identified through formal testing during enrolment and through existing service connections.⁴¹⁵

Submissions to the Review, notably from students, highlighted a similarly wide range of learning, social-emotional and employment-related needs that might cause students to seek support. These included:

- The pressure of **living and study costs**, especially for travel, course materials and childcare. In addition to student discounts, Victorian TAFEs offer financial supports through scholarships and payment plans.⁴¹⁶

⁴¹² Teacher Survey response (2020).

⁴¹³ DET Administrative Data (unpublished).

⁴¹⁴ Submission 060 Outdoors Victoria (Providers), Submission 051 Neighbourhood Houses Victoria, Submission 074 RMIT College of Vocational Education.

⁴¹⁵ Clarke K, Myconos G and Rudd R (2020) *Thematic summary and quote bank – Roundtable consultations with disadvantaged learners in VET to inform the Skills for Victoria’s Growing Economy Review*, Brotherhood of St Laurence.

⁴¹⁶ Submission 009 Box Hill Institute.

- Students often needed practical help with **IT support**, including adapting to new software and online resources. Cost barriers for low-income learners, including in VET and ACFE providers, compound challenges accessing IT.⁴¹⁷
- **Disability support** is provided through Learning Access Plans and Accessibility advisors, the DHHS-funded *Workforce Connectors* and NDS's *Ticket to Work* program,⁴¹⁸ and a range of other assistance and technologies. The quality of these support may vary – the Review heard that VET teachers may struggle to support learners with disability, especially those who have had dedicated aides in their previous learning experiences.⁴¹⁹
- **Mental health support** is an area of growing need, as TAFE and other providers report an increasing number of students presenting with challenges. While TAFEs offer counselling and referrals, the Review heard that teachers need more help dealing with these issues.⁴²⁰
- **Support for culturally and linguistically diverse (CALD)** students is often embedded within the provision of language courses. Young Adult Migrant Education Courses at Melbourne Polytechnic, AMES youth-specific AMEP programs and the Skilled Professional Migrant Program are just some examples of integrated language and support. These programs also support transition to work, a critical area of need for many CALD learners.⁴²¹
- **International students** have distinctive support needs, which have escalated during the COVID-19 crisis. Study Melbourne is a Victorian Government service established to address international students' support needs, including through the International Student Welfare Program, Study Melbourne Student Centre (the first of its kind in Australia), and Study Melbourne Ambassador program. This investment in international students reflects the valuable contribution they make to Victorian communities.
- **Men and women** may be vulnerable for different reasons and often require differentiated support. Box Hill TAFE's 'Sprout' program supports women experiencing family violence, and combines access to mentoring and wraparound support with a tailored program of general skills, English, Hospitality training, and business training.⁴²² The Gordon offers the 'Workwise Women' program for women returning to the workforce, and 'Men at Work' for men who have faced redundancy. At the same time, GenVic cautions against providing support in a way that reinforces stereotypes.⁴²³ Some programs aim to challenge gender stereotypes, and support women to enter non-traditional trades.
- The 'Raising Expectations' program supports **Victorians leaving out-of-home care** to participate in VET and higher education. It is led by the Centre for Excellence in Child and Family Welfare (CFECFW), Federation University, La Trobe University, and Swinburne University

⁴¹⁷ Submission 093 Adult Learning Australia.

⁴¹⁸ Submission 029 National Disability Services.

⁴¹⁹ Teacher Survey response (2020).

⁴²⁰ Teacher Survey response (2020).

⁴²¹ ____ (2020) *Skills for Victoria's Growing Economy: Equity Topic Brief*, prepared by The Australian Centre for Social Innovation (TACSI).

⁴²² Submission 009 Box Hill Institute.

⁴²³ Submission 096 Gender Equity Victoria (GenVic).



of Technology. The program supports young people to engage in learning and aims to increase awareness of care leavers as a vulnerable group in their own right.⁴²⁴

- Jesuit Social Services' 'Out for Good' pilot initiative supports 50 **young people leaving criminal justice** into jobs in the construction industry; while 'Be Work Smart' at the Gordon supports Department of Justice and Regulation clients.

Many other vulnerable groups have specific needs that may be met through displaced older workers and veterans. Specific support is also required for Koorie communities (see 5.2). This shows that support for students must be broad, holistic and cover a range of diverse needs.

CASE STUDY

ALEX

Alex is enrolled in the Diploma of AUSLAN in Melbourne. He is hearing impaired and was motivated to extend his proficiency and skills in AUSLAN to support his work within the deaf community. Alex was surprised to face several challenges in his VET journey, particularly around the enrolment process. A key difficulty for Alex was the lack of a single go-to person, which resulted in him having to provide information multiple times, leading to frustration.

'I almost gave up, to be honest. I had different staff managing me and my application. So I'm trying to have this dialogue ... [but] they wouldn't respond to emails ... sometimes a little bit of the information would get lost'.

During his time in the course, Alex has accessed some different forms of support, including informal support from other students and his teacher. While the help of his peers and teacher made a difference, formal support from the training institution was not clearly available.⁴²⁵

Recognise the vital role of teachers, but ease the burden of providing pastoral care

Students often identified teachers and trainers as their main source of support. COVID-19 had increased students' reliance on teachers to navigate remote learning. While many VET students value their teachers – with many comments such as 'Teachers are wonderful!' in the student surveys – this burden can take its toll on teachers:

As a teacher, I spend a lot of time providing pastoral care to students, supporting with assessments outside of class time and, at times, these compliance conditions place a lot of pressure on teachers [who] then have to decide what is more important, meeting these compliance conditions or a student's wellbeing.⁴²⁶

⁴²⁴ Submission 108 Centre for Excellence in Child and Family Welfare.

⁴²⁵ Clarke K, Myconos G and Rudd R (2020) *Thematic summary and quote bank – Roundtable consultations with disadvantaged learners in VET to inform the Skills for Victoria's Growing Economy Review*, Brotherhood of St Laurence.

⁴²⁶ Teacher Survey response (2020).

Students also value their teachers' wellbeing: research shows they prefer a VET teacher who is 'relaxed not stressed' and who appears to 'enjoy his/her job'.⁴²⁷ Proper resourcing of student support benefits teachers and their students alike.

Even with the increased support proposed above, teachers will remain critical to pastoral care, since they have the best line of sight into how students are faring. Students may not readily seek support ('I'm a bit self-conscious and struggle to ask for help')⁴²⁸ and so teachers will always have a role in monitoring student progress and letting them know about available supports. Several TAFEs told the Review that their systems for actively monitoring student needs include triggers for providing further support. Above all, stakeholders stressed the need for 'constant communication'⁴²⁹ and 'staying in touch'⁴³⁰ to ensure students get every possible chance to succeed in their learning

CASE STUDY

PATRICIA

Patricia is a mature aged student in her early 40s living in regional Victoria. After experiencing long periods of unemployment, Patricia was encouraged to enrol in the Certificate in General Education for Adults (CGEA) with a Learn Local provider. Patricia emphasised the benefits of feeling connected to community through her time at the Learn Local. Patricia describes receiving lots of support from her teacher and finding this one-on-one support particularly useful.

The program had a big impact on Patricia's confidence and improved her skills in looking for work. She used her new interview skills to secure a cleaning job at a local car-dealer showroom and has plans to study childcare at TAFE next year.⁴³¹

Coordinate support and share best practice

The support that students receive appears to vary widely. Many providers deliver excellent initiatives, but funding arrangements create significant inconsistency, as the costs of effective student support are often not met by current TAFE funding, and may be cut or cross-subsidised from other income streams.⁴³² ACFE providers face even greater funding challenges, since current levels of service depend on ongoing investment in the Reconnect program.⁴³³ Learn Locals are not funded to provide student services and have to exercise considerable resourcefulness to offer wraparound support.⁴³⁴

⁴²⁷ Smith E and Yasukawa K (2017) *What makes a good VET teacher? Views of Australian VET teachers and students*, International Journal of Training Research 15(1): 23-40.

⁴²⁸ Student Survey response (2020).

⁴²⁹ Submission 060 Outdoors Victoria (Providers).

⁴³⁰ Submission 056 ACFE Board.

⁴³¹ Clarke K, Myconos G and Rudd R (2020) *Thematic summary and quote bank – Roundtable consultations with disadvantaged learners in VET to inform the Skills for Victoria's Growing Economy Review*, Brotherhood of St Laurence.

⁴³² Submission 123 Melbourne Polytechnic; Submission 009 Box Hill Institute; Teacher Survey response (2020).

⁴³³ Submission 095 ACEVic.

⁴³⁴ Ibid.



Funding difficulties have not diminished TAFEs' view of the importance of student services:

Investments made towards growing the provision of wraparound services for students including learning support, employment preparation and careers advice are often a key differentiator between Victoria's TAFEs and other VET providers when it comes to the overall provision of quality delivery.⁴³⁵

Several institutes proposed a collaborative model, in which tasks such as preparation of resources for students were shared.⁴³⁶ Like collaborative curriculum discussed elsewhere in the report, these models were seen as both a quality driver and a potential efficiency gain.

The evidence suggests that sharing of best practice in student support should involve quality non-TAFE providers as well. While many programs are located in TAFEs, other RTOs also offer support for vulnerable groups. For example, Oxygen College targets people likely to be disengaged from education who have creative interests,⁴³⁷ while the Plumbing Industry Climate Action Centre works closely with vulnerable Victorians and newly arrived migrants.⁴³⁸

Recommendation 5.4 – Coordinate work-integrated learning in local communities

The Victorian Government should:

- Through FutureSkills Victoria, fund the expanded SJs to work with employers and providers to improve access to placements and work-integrated learning in local communities by:
 - encouraging more local employers to offer work placement opportunities to students, and allocating these places to providers, ensuring fair access to placements across different types of providers
 - promoting the benefits of taking on work placement students within local communities, as part of businesses' contribution to economic recovery
 - creating opportunities to implement new models of workplace-based learning, including models developed by FutureSkills Victoria and FutureSkills Labs.
- Enable employers to register their availability to participate in work-integrated learning through a FutureSkills Victoria portal modelled on DET's Structured Workplace Learning Statewide Portal for schools.
- Model integration of work and learning by maximising the number of placement opportunities offered in government jobs and by including strategies for employers to support students into work placements as a condition of government purchasing.

⁴³⁵ Submission 098 TAFE Gippsland.

⁴³⁶ Submission 099 VCOSS, Submission 020 BKI, Submission 073 Wodonga TAFE.

⁴³⁷ Submission 010 Oxygen College.

⁴³⁸ Submission 043 PICAC.

What this involves

Expanded SJsCs can make a critical contribution to the skills sector by improving access to local work-integrated learning. With their strong connections to local industry, expanded SJsCs would be well-placed to broker partnerships with employers to improve the availability of local placements. The independence of SJsCs from providers would enable them to spread access to placements across different providers and manage the pipeline of placement requests. Employers would have the benefit of a single point of contact and streamlined systems. Expanded SJsCs could also create virtuous circles of self-reinforcing participation, by making employers who offer placements more visible as contributors to local economies.

The Victorian Government has already taken this local leadership role in work placements for Victorian secondary school students. Since 2016, Victoria's 31 LLENs have brokered Structured Workplace Learning (SWL), an initiative that enables secondary school students to integrate on-the-job experience with study. DET's SWL Statewide Portal allows all Victorian secondary schools to access opportunities sourced by LLENs. At present the portal is not available to non-school VET providers. Expanded SJsCs could work with LLENs to extend placement support to all Victorian students by creating a new portal, modelled on the SWL Statewide Portal, to include providers that train adult learners. TAFEs and Learn Locals may come on board first, before access expands to more providers over time.

The expanded SJsCs could also create an architecture within the system for the delivery of new models of work-integrated learning, either developed locally or emanating from FutureSkills Victoria and FutureSkills Labs (see 4.1). These approaches could range from helping students to engage in part-time work in a relevant industry while they study, through to negotiating uptake of expanded apprenticeships and traineeships (see 5.5). Investment in the expanded SJsCs to drive local collaboration will greatly accelerate the take-up of new models across the skills sector and their impact on Victorian communities and the economy.

The Review endorses the University of Melbourne's suggestion that the Government lead by example by providing more public sector placements.⁴³⁹ Government funds or delivers many services in which placements could be offered, including new projects supported by stimulus investment. Government can also include strategies to encourage employers, as a condition of tendering for Government work, to engage with the proposed new FutureSkills Victoria portal for student placements, and support students in work-integrated learning.

What we heard

This proposal responds to an urgent identified need. Many providers told the Review that their struggles to find work placements as the economy shut down were having a devastating impact on students who need a placement to finish their course. One student said:

⁴³⁹ Submission 094 University of Melbourne.

I am doing a Diploma of Mental Health. Trying to find a placement is almost impossible. The fact is I will probably fail, not because of the studies but due to not finding a placement.⁴⁴⁰

Moreover, if many 2020 students cannot complete their training, there will be a backlog of placements to complete in early 2021, when many Victorian employers may still be struggling.

Even before the COVID-19 crisis, providers were struggling with the workload involved in organising work placements for students, as La Trobe University described:

Providers already experiencing workforce shortages often lack the human resources to provide adequate supervision for placements...universities (particularly in regional areas) currently need to engage with numerous organisations to organise placements... La Trobe needs to engage with around 400 organisations, usually small-scale organisations in regional Victoria, which is time-consuming and increases the cost of managing placements.⁴⁴¹

Engaging effectively with business requires providers to be agile in order to respond to its different expectations about how work-integrated learning is delivered.⁴⁴²

Other problems with placement include ‘fierce competition’ between TAFEs for industry partnerships; competition between VET and higher education courses for placement sites; lack of time for teachers to assist students; and unresponsive employers.⁴⁴³ The Review heard that difficulties in finding placements can even lead to TAFEs declining to enrol students in priority courses in which they know placement opportunities are limited.

The burden of resolving these challenges often falls on students. TAFE students are more likely than university students to be asked to organise their own placements, which ‘puts pressure on students at a high-pressure time in their lives’.⁴⁴⁴ A limited number of available placements also mean students must often settle for impractical or unsuitable options. One regional TAFE student reportedly drove several hours each day because no placement could be found close to home – a common issue for regional students.⁴⁴⁵ Another student found that placement requirements negated the flexibility that attracted her to her course:

I made the decision based on the information I was given about the course, and my ability to do the course with flexibility, having young children, and just pregnant when I

⁴⁴⁰ Student Survey response (2020).

⁴⁴¹ Submission 077 La Trobe University.

⁴⁴² Submission 073 Wodonga TAFE.

⁴⁴³ Teacher Survey response (2020).

⁴⁴⁴ Teacher Survey response (2020).

⁴⁴⁵ Submission 073 Wodonga TAFE.

began. [It] was awful getting a call with my 2 w.o. son and being told I need to do placement asap or I would lose my free TAFE [place].⁴⁴⁶

The quality of placements in some sectors is also a concern. Placements must be culturally safe and responsive to the students' need for genuine work-based training opportunities. Student work placements are not a mechanism for employers to access unpaid labour. Giving SJs a role in coordinating local placements would enable the formation of a network of providers who access placements in similar areas, and who can share experiences from different employers.

Recommendation 5.5 – Expand support for apprentices and trainees

The Victorian Government should:

- Provide recurrent funding for the Apprenticeships Support Officer (ASO) program, support more ASOs, and extend their role by:
 - resourcing support beyond the first year of training, and supporting trainees
 - ensuring that the creation of additional Apprenticeship Support Officers reflects the diversity of learners, and provides role models for apprentices and trainees in non-traditional industries
 - expanding mental health support and referral pathways for apprentices and trainees, as part of improved support for all students.
- Incorporate ASOs into the expanded SJs under FutureSkills Victoria, to connect them to the full range of support services that may benefit apprentices and trainees.
- Continue to invest in the Apprenticeship Employment Network in order to recognise the importance of group training in the apprenticeship and traineeship system, and pursue registration for Group Training Organisations (GTOs) to maintain trust in quality organisations.
- Continue to monitor the Retrenched Apprentices and Trainees Program to connect it with opportunities in job creation programs.
- Fund an awareness campaign to make employers more aware of the benefits and responsibilities of supporting apprentices and trainees, as part of efforts to boost apprenticeship and traineeship numbers during the recovery.

What this involves

Apprentices and trainees require particular attention to ensure they have access to quality, on-the-job training and supervision, along with adequate support and off-the-job training, from commencement to completion. Because many are employed by a GTO rather than directly by an employer, their training experience involves building relationships with at least three different

⁴⁴⁶ Student Survey response (2020).

organisations: a training provider, an employer and a GTO. It also means that support for apprentices must cover all aspects of their work and training.

The Review recommends that Victorian apprentices receive additional support, given the intense challenges they are facing due to the COVID-19 crisis:

- **Apprenticeship Support Officers (ASOs)** have been supported by the Victorian Government since 2011. They target 15 to 24-year-old apprentices in their first year. ASOs provide advice to eligible apprentices on any work, training or personal issue that affects their chances of completion, or they may refer them to other services such as counselling or WorkSafe. In 2020, 28 ASOs work across 12 TAFEs or dual sector universities.
- Victoria's 23 **Group Training Organisations** employ between 5,000 and 6,000 apprentices and trainees (about 9 per cent of all apprentices and trainees in the state), and then host them out to businesses who might not otherwise be able or willing to take on an apprentice or trainee. The Labour Hire Authority licenses GTOs, and the Victorian Regulations and Qualifications Authority approves them as employers of apprentices and trainees. Victoria's peak body for GTOs is the Apprenticeship Employment Network (AEN). The Victorian Government has supported GTOs over many years.
- The **Retrenched Apprentices and Trainees Program** is a collaboration, announced in May 2020, between the Victorian Government and the AEN. The initiative set up a register to help retrenched apprentices and trainees to stay engaged with their training and be placed with appropriate employers.⁴⁴⁷ A similar national register has been established,⁴⁴⁸ along with other state-based channels of advice and support.⁴⁴⁹

The Review strongly supports ongoing investment in Victorian apprentices and trainees, given their importance to the economy and their vulnerability. The Review proposes attaching ASOs to expanded SJs and wrapping their funding into ongoing investment in SJs. This change would provide sustained support for apprentices and trainees, and connect it to broader support for VET students, to potentially expand the supports that ASOs can offer in the post-COVID context.

GTOs also have a key role in supporting Victorian apprentices and trainees to cope through the COVID-19 period. The Review supports registration of GTOs, strengthening regulatory requirements for supervision of apprentices and trainees in high-risk environments, and ensuring that fit and proper persons are employers of apprentices and trainees. These changes would improve the quality of the apprentice and trainee experience.

For employers, the Victorian Government should pursue an awareness-raising campaign about the importance of supporting apprentices, to accompany any efforts to boost apprenticeship numbers during the recovery. The role of expanded SJs in brokering student work placements (see 5.4) could complement these efforts, and improve awareness of the benefits and responsibilities of

⁴⁴⁷ Victorian Government media release: <https://www.premier.vic.gov.au/new-initiative-to-keep-apprentices-learning/>

⁴⁴⁸ ____ (2020) *Apprentice and Trainee Re-engagement Register*, National Apprentice Employment Network. <https://naen.com.au/apprentice-and-trainee-re-engagement-register/>

⁴⁴⁹ ____ (2020) *Apprentices and Trainees – advice and support*, Department of Education and Training, Victoria. https://www.education.vic.gov.au/training/Pages/coronavirus_tafe_apprenticetrainees.aspx

supporting students across all training models. The principles of student-centred design discussed below (see 5.6) should also be applied to apprenticeships and traineeships in order to deliver learning experiences that are relevant to the post-COVID generation of young people and businesses.

What we heard

The proposals for student support respond to the following needs expressed to the Review:

Recognise the urgent and increasing need to provide support to apprentices and trainees

Apprenticeships and traineeships are not just about securing a pipeline of skilled workers for the economy. Each provides a pathway for one young person into the workforce, often at a critical time in that person's life. The pandemic has cruelled the hopes of many apprentices gaining the on-the-job learning necessary to complete their qualification. Recent National Australian Apprenticeships Association data shows that around 25,000 apprentices and trainees have been stood down or had their contracts cancelled.⁴⁵⁰

Even before COVID-19 struck, the vulnerability of apprentices and trainees was a matter of concern. While many receive exceptional support from employers, training providers and GTOs, new Australian research highlights the risks associated with the apprentice's role:

This study found that young apprentices tolerate, even expect, poor working conditions with significant implications for their mental health and wellbeing. These findings are especially concerning given that young apprentices are managing the transition to, and expectations of, adulthood.⁴⁵¹

In Queensland, the MATES in Construction organisation recently released a report stating that up to 30 per cent of apprentices are at risk of suicide – a finding described as 'concerning' but 'unsurprising'.⁴⁵² It is imperative that Government responds.

Submissions to the Review highlighted the challenges that apprentices and trainees face. Workplace culture, including 'a leftover blokey culture' in the trades, and instances of racial discrimination, are two major risks.⁴⁵³ The Young Workers Centre cited many challenges:

⁴⁵⁰ Patty, Anna, *54,000 fewer apprenticeships to start this year, threatening longer-term skills shortages*, Sydney Morning Herald (9 July 2020). See: <https://www.smh.com.au/business/workplace/54-000-fewer-apprenticeships-to-start-this-year-threatening-longer-term-skills-shortages-20200707-p559ry.html>

⁴⁵¹ Einboden R, Choi I, Ryan R, Petrie K, Johnston D, Harvey SB, Glozier N, Wray A and Deady M (2020) *Having a thick skin is essential: mental health challenges for young apprentices in Australia*, Journal of Youth Studies (February).

⁴⁵² ____ (2020) *Apprentices at risk of suicide*, Australian Wood Review. <http://www.woodreview.com.au/news/apprentices-at-risk-of-suicide>

⁴⁵³ Submission 058 Mandy Ellwood.



Young workers are routinely made to feel undervalued, unsafe and like their rights at work aren't important. This feeling is compounded in the case of apprentices. Young apprentices have told us they've been assaulted, verbally abused, subjected to gendered violence, and harassed on the job.⁴⁵⁴

While mental health issues are a known risk amongst the young males who make up a large proportion of apprentices, the Plumbing Industry Climate Action Centre added that apprentices and trainees from culturally diverse backgrounds also need support.⁴⁵⁵ Young apprentices may need support with 'early adulthood issues', such as managing finances, dealing with others in the workplace, alcohol and other drug use, and transport to work.⁴⁵⁶

For many apprentices, industry licensing and registration requirements mean that staying the course through an apprenticeship – however difficult – is the only route into their chosen career.⁴⁵⁷ More needs to be done to ensure that this pathway into skilled work is not a rite-of-passage to be endured, but a first step on a positive lifelong learning pathway.

Build on the success of current support models to meet the escalating demand

Victorian TAFEs spoke highly of the impact of ASOs on completion rates⁴⁵⁸ and student safety.⁴⁵⁹ Yet despite nearly 10 years of demonstrated value, the ASO program does not receive ongoing recurrent funding, nor does it extend to trainees or apprentices beyond their first year. The short-term renewals of ASO funding are a source of concern,⁴⁶⁰ and create job insecurity for ASOs.⁴⁶¹ Wodonga TAFE identified a 'desperate need for further ASO positions', to extend the 'great support' they provide to more apprentices who are not in their first year.⁴⁶² The Review heard ideas for evolving the role, including developing 'an individual mentoring and pastoral care plan' involving the wider family and friend network of the apprentice or trainee.⁴⁶³

GTOs received a similar level of support in submissions to the Review, especially from industry stakeholders.⁴⁶⁴ National Centre for Vocational Education Research (NCVER) data shows that GTO-employed apprentices and trainees are more likely than others to be female, Indigenous, and young entrants to the job market.⁴⁶⁵ In an increasingly atomised labour market, GTOs have an important role in meeting the needs of employers and learners.⁴⁶⁶ The Review sees GTOs as a strong example of collaboration to meet learners' needs, with a key role to play in the future of the skills sector.

⁴⁵⁴ Submission 110 Young Workers Centre.

⁴⁵⁵ Submission 043 PICAC.

⁴⁵⁶ ____ (2014) *Review of Qualification Completions in Engineering Trades Apprenticeships*, report to the Australian Workforce and Productivity Agency by Acil Allen Consulting. <https://www.voced.edu.au/content/ngv%3A61868>

⁴⁵⁷ Submission 122 Air Conditioning and Mechanical Contractors Association.

⁴⁵⁸ Submission 020 BKI.

⁴⁵⁹ Consultation with Chisholm Institute (2020).

⁴⁶⁰ Submission 088 Australian Education Union (AEU).

⁴⁶¹ Submission 098 TAFE Gippsland.

⁴⁶² Submission 073 Wodonga TAFE.

⁴⁶³ Submission 070 AEN.

⁴⁶⁴ Submission 105 AiGroup, Submission 114 Housing Industry Association.

⁴⁶⁵ Submission 070 AEN.

⁴⁶⁶ Submission 056 ACFE Board.



Generate commitment from employers to mentoring and support

The attitudes and behaviour of employers towards apprentices and trainees can define the quality of the learning experience. Suggestions to improve employer behaviour included investment in skilling tradespeople to mentor apprentices;⁴⁶⁷ engaging liaison officers to support communication between employers and the provider (which some providers do already);⁴⁶⁸ or introducing a licensing system for employers of apprentices.⁴⁶⁹

The Review also supports greater effort on the part of Government to raise awareness of the importance of strong support for apprentices. Queensland employment agency Smart Employment Solutions (SES) sets an excellent example of possible messaging:

As a host organisation you influence the culture and tone of the workspace, and this can provide a unique opportunity to influence young hearts and minds...Further, by promoting open communication and showing your apprentice you value them and the work they do, you will boost their confidence and this also contributes to looking after their mental welfare.⁴⁷⁰

SES also points to the economic benefits to employers who look after apprentices' mental health: 'less sick days taken, increased productivity, engagement and staff satisfaction, and a happier and more committed workforce'. Similar messages could be adopted for the recommended Victorian Government's awareness-raising campaign.

Make apprenticeship and traineeships work for today's students and employers

Many stakeholders noted that the apprenticeship model must change with the times. Proposals to better meet apprentice, trainee and industry needs included scheduling classes outside working hours, or online.⁴⁷¹ Greater flexibility in the length of an apprenticeship would also open apprenticeships to older employees, who may constitute a higher share of total apprenticeships and traineeships after COVID-19. Longer apprenticeships and traineeships could help those wanting to move 'in and out' of training.

Some providers are already adapting the apprenticeship model to suit their learners. Bendigo Kangan Institute's Class of One provides apprentices and trainees with 'anytime and at anyplace' learning (not constrained by traditional intake periods, or minimum class sizes that limit provision in some locations); and a customised national training plan for every student and employer.⁴⁷²

⁴⁶⁷ Submission 073 Wodonga TAFE.

⁴⁶⁸ Consultations with Chisholm Institute (2020).

⁴⁶⁹ Submission 110 Young Workers Centre.

⁴⁷⁰ ____ *Looking after Apprentices Mental Health*, Smart Employment Solutions. <https://www.sesat.com.au/looking-after-apprentices-mental-health/>

⁴⁷¹ ____ (2020) *TAFE Apprenticeship Response Plan (Options)* prepared for the Review by the Victorian TAFE Association (unpublished); Submission 009 Box Hill Institute.

⁴⁷² Submission 020 BKI.



Recommendation 5.6 – Place students at the centre of learning

FutureSkills Victoria should:

- Place students at the centre of learning in all collaborative initiatives, including by:
 - ensuring student (including youth) representation on the FutureSkills Victoria Board
 - commissioning FutureSkills Insights to compile data and insights about barriers to engagement for vulnerable groups and disseminate insights about overcoming them
 - ensuring expanded SJs engage with diverse community representatives – including from Koorie communities and multicultural, disability and social services groups – in order to identify opportunities for local providers to co-design and deliver courses that meet their specific needs
 - co-designing practices with students from diverse backgrounds as part of commissioning shared curriculum
 - ensuring that the VET Development Centre (VDC) draws on its partnerships with communities to develop a suite of teacher professional learning activities on responding to diverse learners, including opportunities for VET and ACFE teachers to share expertise.

What this involves

Students who feel engaged, supported and valued are more likely to succeed in their learning and complete their course. Flexibility to meet students' needs is more important than ever in the COVID-19 period, as many Victorians experience uncertainty and change. Fortunately, COVID-19 has also proved that education and training can be more adaptable than was previously imagined. There is a great opportunity to build on this flexibility to create more responsive learning, using the levers proposed in this report to drive collaboration and student-centred approaches to learning across the skills sector.

A student-centred education and training system cannot be achieved through isolated programs and support. Respect for students and flexibility to meet their needs must be embedded in the culture and practices of the system. Truly inclusive learning environments are free of prejudice and low expectations. Teachers value the knowledge, capability and potential that all learners bring.

Instead of recommending programs or isolated measures to improve the VET sector's responsiveness to students, the Review proposes the systemic changes described in this report. Putting students at the centre of learning should be embedded into all aspects of system design. Key opportunities for student-centred learning under FutureSkills Victoria's leadership include:

- **FutureSkills Victoria** having student representation on its Board (see 1.1).
- **FutureSkills Insights** sharing data about the courses undertaken by diverse student groups (see 2.1) in order to identify courses and qualifications in which vulnerable students are strongly represented, and ones in which they are not. Sharing such data could stimulate collaboration

between providers, industry and community groups that would diagnose why some students are under-represented, and co-design inclusive learning options.

- **Expanded SJs** involving local communities in planning and delivering VET and ACEF (see 5.1) and strengthening partnerships between community groups, providers and industry. Stronger local networks and partnerships would enable better communication about how education and training environments respond to diverse learners' priorities.
- **FutureSkills Victoria** prioritising student-centred models when it commissions the development of shared curriculum (see 6.1). Quality resources that are designed with student involvement and can be most easily adapted to the needs of different learners should receive priority investment. FutureSkills Victoria may also commission tailored resources for specific student cohorts.
- **Expanding the suite of professional learning** for VET teachers (see 6.6) to include short courses and peer learning activities that build teachers' understanding of working with diverse students. Communities of practice involving teachers from multiple providers may be especially valuable for sharing expertise across the sector; providers who work with high proportions of specific student groups could share strategies with providers that serve smaller numbers from such groups. While short courses and resources may equip teachers with a 'toolkit' of skills, peer learning based on lived experience of working with diverse learners is likely to be most effective in changing the beliefs and expectations that teachers hold towards diverse groups.

This suite of initiatives will create a skills sector that builds in responsiveness to learners, and contains multiple avenues for teachers and providers to increase their capability over time. Tailored responses to particular groups may have greater impact than sweeping but superficial efforts to cater to diverse cohorts. For example, a TAFE in a community with a high number of newly arrived refugees might work to build relationships with and adapt curriculum for that group; another might see an opportunity to collaborate with a new industry to help get people with disability into work. In a system with responsive structures, providers can quickly access the relationships, data, resources and professional learning they need to serve their specific student cohorts.

What we heard

An excellent skills sector is one in which every student feels included and thrives. Current data suggests that the skills sector is not meeting the needs of all its students, for example:

- People with a disability are far more likely than any other group to enrol in Certificate I, and far less likely than any other group to enrol in Certificate III
- Asylum seekers are far more likely than any other group to enrol in Certificate II, and far less likely to enrol in Certificate IV and Diploma courses. They are more likely than any other group except people with a disability to enrol in Certificate I



- Indigenous people and people from low socio-economic status backgrounds are more likely than all other groups to enrol in Certificate III.⁴⁷³

For many students, an inclusive learning environment is one in which they feel in control of their learning. Such an environment is exactly what attracts some students to VET:

I knew I didn't want to go to uni, but TAFE is a lot more flexible. And I thought it would be a lot less stress compared to university because you do a lot of stuff at your own pace...It's not like you have to sit exams and stuff. It's really good for people that are under a lot of stress and don't know what they want to do after high school or later in life.⁴⁷⁴

In Brotherhood of St Laurence research, one student observed that in VET learning environments, unlike in school, teachers were 'working with you; not like teaching you'.⁴⁷⁵ This comment echoes others from students in previous research:

It's good if the teacher is more a friend than a teacher. Like obviously they're a teacher ...[but] if you're friendly towards each other and respect each other, communication is a good key to learning.⁴⁷⁶

In the same study, students described their teachers as 'mentors' and 'experts'; but also as 'big brother', 'nurturer', or 'someone who unlocks a door that had been closed'.⁴⁷⁷

Students complained most about their learning experiences at times when they felt that their course was controlling their life, rather than the other way around. One said:

I would like to stress the importance of transitioning between teachers. For most of our course we had one main teacher whom we had all agreed on days and times of classes, [then] overnight we had a teacher change who decided to change the days, times and delivery methods without any consultation. I am a mature age student with 5 kids who works 5 nights a week. I cannot change my entire routine and work schedule overnight to suit the new teacher.⁴⁷⁸

⁴⁷³ ____ (2020) *Skills for Victoria's Growing Economy: Equity Topic Brief*, prepared by The Australian Centre for Social Innovation (TACSI).

⁴⁷⁴ Clarke K, Myconos G and Rudd R (2020) *Thematic summary and quote bank – Roundtable consultations with disadvantaged learners in VET to inform the Skills for Victoria's Growing Economy Review*, Brotherhood of St Laurence.

⁴⁷⁵ Ibid.

⁴⁷⁶ Smith E and Yasukawa K (2017) *What makes a good VET teacher? Views of Australian VET teachers and students*, International Journal of Training Research 15(1): 23-40.

⁴⁷⁷ Ibid.

⁴⁷⁸ Student Survey response (2020).

Giving students flexibility to complete courses at their own pace can go a long way to helping them feel in control:

A flexible system would ensure that qualifications could be completed in small steps as the learner has the capacity to undertake them, or as the employer requires them. The objective would still be to complete qualifications, but over a longer time frame, combined with work and other life...priorities.⁴⁷⁹

Some contributors to the Review suggested that a more student-centred approach to planning could achieve significant benefits. Two examples were scheduling classes around public transport timetables,⁴⁸⁰ or finding ‘alternatives for learning beyond the stock standard traditional times, locations, modes and methods’.⁴⁸¹ Others suggested offering more assessment options, including verbal and in-class assessments.⁴⁸² Some students thought RTOs could respond better to their needs by introducing better systems and communication.⁴⁸³

Flexibility in course delivery is especially important for women, who are disproportionately represented among students needing to balance study commitments with caring for young children. Gender Equity Victoria recommended that in light of gender inequalities in labour market participation and income, providers undertake systematic analysis of how learning environments create or constrain opportunities for women.⁴⁸⁴ The Australian Centre for Social Innovation also identified carers as a high-risk, under-identified group for non-completion due to the ‘invisible burden’ that they carry. The Review heard from Carers Australia that carers would particularly benefit from greater flexibility in course delivery.⁴⁸⁵

Culturally and linguistically diverse learners benefit from having flexibility to develop language skills alongside the technical skills that will lead to a job. AMES Australia noted that many refugees and migrants enter VET with limited education backgrounds and minimal English:

The time it will take people to develop confident foundation skills and a sufficient level of competence in industry-level technical skills (i.e. achieve a VET qualification outcome) from this starting point should not be underestimated.⁴⁸⁶

The following case study highlights how training and language learning can be integrated.

⁴⁷⁹ Submission 022 AMES Australia.

⁴⁸⁰ Submission 046 NCVET.

⁴⁸¹ Submission 022 AMES Australia.

⁴⁸² Student Survey response (2020).

⁴⁸³ Student Survey response (2020).

⁴⁸⁴ Submission 096 Gender Equity Victoria.

⁴⁸⁵ Submission 023 Carers Australia.

⁴⁸⁶ Submission 022 AMES Australia.



CASE STUDY

YASMEEN

Shortly after migrating to Australia, Yasmeen undertook a science course but struggled because of her limited English skills. Despite completing the qualification, she had very limited employment options because of ongoing language barriers. It was only later that she discovered she could access English lessons as a newly arrived migrant. Yasmeen feels frustrated that she was not counselled to improve her English before embarking on her initial course.

Yasmeen is now enrolled in ESL course at TAFE and feels that her English is improving significantly.

These are just a few examples of a student-centred approach to course delivery. Students must be able to feel they can negotiate with education and training providers. The VET sector is potentially strong in this regard, since it is a more diverse learning environment than higher education, for example. It contains multiple options for study designs that combine independent and class-based learning, or learning and work. Negotiating study arrangements that work for students is a valuable investment of teachers' time, with potential lasting benefits for learning.

Responsiveness to students can become part of a provider's culture. The Review heard evidence that responsiveness to students is fundamental to the design of the Learn Local sector.⁴⁸⁷ In the VET sector, however, a dominant culture of compliance and audit is reportedly compromising teachers' ability to respond to students. One teacher said:

The teachers and networks of colleagues within our TAFE system work well together to try and provide a quality student-centric learning environment and give our students the best quality education we can provide. However, increasing pressures on compliance, budgets and student numbers all take time and focus away from the quality of these programs.⁴⁸⁸

Shifting the system from one based on compliance to one focussed on excellence, as this Report advocates, is likely to produce the greatest responsiveness to students and their goals.

⁴⁸⁷ Submission 095 ACEVic.

⁴⁸⁸ Teacher Survey response (2020).

6. Delivering quality teaching and learning

Revitalising Victoria’s skills sector depends on a sustained commitment to quality teaching and learning. Every level of the system must champion it, from leaders who set policy and funding to teachers and administrators who deliver the skills that Victorians need. The Review was heartened to see that as the sector works to rebuild its strength and reputation, all consultations and submissions expressed an unequivocal commitment to quality.

Curriculum, teaching and assessment are the building blocks of quality education and training. In VET curriculum, national training packages are widely seen as overly prescriptive, narrowing teaching and learning to a tightly defined set of competencies. At the same time, the teaching and learning resources that support the delivery of training packages vary widely in content and quality, as providers largely develop curriculum on their own.

The system needs a new approach, one that uses the expert professional judgements of leading VET teachers to bridge the gap between training packages and quality curriculum. To ensure quality and consistency in curriculum, teachers need to work collaboratively with their colleagues across the education and training sector, and with industry, community and students. FutureSkills Victoria would be well placed to lead this collaborative approach.

Even the best curriculum still depends on skilled professional teachers to translate it into quality learning experiences.⁴⁸⁹ Students who spoke to the Review identified great teachers as the defining feature of great VET learning. Many warmly appreciated the teachers who had gone ‘above and beyond’ to enable them to achieve their best.

Strengthening teacher capability is not simply a matter of plugging knowledge gaps or providing guidelines. It is made from a ‘professional culture’⁴⁹⁰ in which teachers are motivated, equipped and supported to pursue excellence throughout their careers. This culture can harness and foster the ‘passion and dedication’ that Wodonga TAFE described as ‘the biggest strength of our teaching workforce’.⁴⁹¹ For VET teachers, this passion often spans both industry and teaching, reflecting the ‘dual identities’ they embody.⁴⁹²

The Review is aware that the Victorian skills sector owes its successes to the expertise and commitment of teachers in all parts of the sector. It is apparent that teachers have not always felt recognised or supported in their efforts to develop the skills on which Victoria’s economy depends. One TAFE teacher described feeling on the ‘bottom rung’ of the ladder, ‘just below students’ – after studying hard to prepare to develop the future workforce.⁴⁹³

Reforms to VET teaching must not be approached from a ‘deficit’ view, but be designed and implemented in a way that recognises teachers’ expertise and enables them to grow

⁴⁸⁹ Submission 088 Australian Education Union (AEU).

⁴⁹⁰ Braithwaite V (2017) *How do we Support Quality Teaching in Australian VET?* The Australian TAFE Teacher (Autumn) 23. <https://static1.squarespace.com/static/5c05f8595cfd7901fc57139d/t/5c19abbb0ebbe8707005428a/1545186238087/Australian+TAFE+Teacher.pdf>

⁴⁹¹ Submission 073 Wodonga TAFE.

⁴⁹² Submission 123 Melbourne Polytechnic.

⁴⁹³ Teacher Survey response (2020).



professionally.⁴⁹⁴ The Review heard that too many Victorian VET teachers are surviving rather than thriving. The passion for learning that VET teachers bring to their work is stifled by structures that prioritise compliance over professional practice:

I think it's high time to recognise the dedication and commitment of the staff at the rock face; they do an increasingly difficult job for less and less reward and I don't just mean financially. The out-of-class demands are putting the best teachers off and the legacy of good teaching practice is disappearing.⁴⁹⁵

No single solution can address these problems. They require development of a 'systemic culture of teaching excellence, lifelong learning and continuous improvement'.⁴⁹⁶ This chapter proposes reforms to VET teachers' preparation and professional learning, and describes how they link to FutureSkills Victoria's collaborative, innovative approach.

To maximise skills-led economic growth, the Victorian skills sector must also continue to innovate. A mature skills sector will build in capacity to continuously improve to meet the changing needs of students and industry. This approach will accelerate and sustain the pace of Victoria's economic recovery, responding to learners' changing needs in innovative ways, and building adaptable and capable communities.

Strong, respectful leadership from Government can inspire the VET sector to embrace its potential for innovation and excellence. Government alone cannot create quality; it must be embedded into the sector's culture and practice. A culture of continuous improvement would not only improve what VET delivers but reduce inefficiencies in the system. When all stakeholders are focused on quality, they spend their time on what matters most, ensuring that every dollar invested in VET achieves the highest possible return.

Current regulation of VET focuses heavily on inputs and compliance – 'an exercise in ensuring that documents are written in a particular fashion and ticking boxes...rather than ...the student experience and educational outcome'.⁴⁹⁷ This chapter aims to unleash excellence by arguing for a lighter-touch regulatory approach for trusted providers. The final recommendation revisits one of the goals of FutureSkills Victoria: to create a skills sector in which providers continuously learn and improve, and support one another to do so.

Once a commitment to continuous improvement is in place, there is no limit to what the VET sector can achieve for the Victorian economy and communities, or to its resilience in the face of future social and economic shocks. The Review met many stakeholders who were striving to improve their practices and outcomes, even in the face of policy settings that sometimes compelled them to do

⁴⁹⁴ Harris R and Simons M (2001) *Differing realities: Staff development in public and private providers of VET*, Centre for Research in Education, Equity and Work at the University of South Australia.

www.researchgate.net/publication/280734446 Differing realities Staff development in public and private providers of VET

⁴⁹⁵ Teacher Survey response (2020).

⁴⁹⁶ Submission 125 VTA.

⁴⁹⁷ Submission 074 RMIT College of Vocational Education.



otherwise. The skills that Victoria needs rest in the hands of these committed teachers and leaders. The Victorian Government must partner with them in shaping the future together.

Recommendation 6.1 – Develop and share excellent curriculum

The Victorian Government should:

- Equip FutureSkills Victoria to lead the development and sharing of high-quality curriculum for all VET providers by:
 - identifying curriculum leaders in key curriculum areas, and convening panels of providers, industry, students and community representatives to evaluate existing teaching, learning and assessment resources
 - commissioning providers (consortia of TAFEs and other Skills First providers) to work with industry, community stakeholders and regulators to develop leading curriculum into resources for sharing across the sector
 - requiring the VET Development Centre (VDC) to establish professional learning communities to review, adapt and update shared resources over time
 - requiring the VDC to support leading providers to develop and deliver training for VET teachers who apply shared resources in their practice
 - incentivising Skills First providers to adopt, adapt and continuously improve shared resources (including through professional learning communities)
 - enabling the licensing of curriculum to other providers, to lift the quality of teaching, learning and assessment resources across the VET system.

What this involves and what we heard

Victoria has an unprecedented opportunity to lift the quality of curriculum, including assessment, through a collaborative approach. Many submissions to the Review expressed concerns about the variable quality of VET teaching and learning resources, and the inefficiency created by VET providers developing their own curriculum. A typical comment came from Federation University:

Currently the 12 TAFEs and the four dual sector universities within the state spend considerable time, effort and money developing curriculum – learning, teaching and assessment resources. This is clearly a duplication of effort and financial resources. It also highlights the variation in the quality of resources across the sector.⁴⁹⁸

⁴⁹⁸ Submission 080 Federation University.

At present, broad curriculum development (such as developing new courses) is squeezed into the workloads of busy VET teachers, limiting capacity for innovation and taking them away from essential teaching duties such as preparation, planning, and curriculum development to tailor delivery to their specific cohort of students.⁴⁹⁹

The Victorian Government's efforts to improve consistency have not yet delivered a solution, with Bendigo Kangan Institute (BKI) observing that recent investment from the Department of Education and Training, as well as from providers, had done little to improve quality across the sector.⁵⁰⁰ Internal government advice reported a paucity of initiatives to improve the quality of assessment.⁵⁰¹ One expert told the Review that VET policy has largely 'neglected' curriculum and teaching.⁵⁰²

Many VET stakeholders are calling for a 'collaborative, rather than competitive model' for developing curriculum.⁵⁰³ TAFEs and other RTOs see potential benefits in collaboration across public, private and not-for-profit provision.⁵⁰⁴ Some TAFEs have already begun working collaboratively: the VTA's Regional TAFE Alliance (RTA) has produced 213 high-quality teaching and learning resources and shared them across the network. However, curriculum has not been shared at scale, due to lack of clear direction, variable commitment across institutions,⁵⁰⁵ and commercial constraints on sharing high-value intellectual property. The benefits of collaborative curriculum development are not realised across the system, only where there is a 'coalition of the willing'.⁵⁰⁶

The COVID-19 crisis has further increased the appetite for collaboration, as the Victorian TAFE Association (VTA) attested:

Our members have confirmed their willingness to engage with issues around the further development of shared services and centralised development of curriculum and assessment.⁵⁰⁷

Private VET providers have also supported each other through the crisis by sharing online learning resources, demonstrating that potential for collaboration exists across the sector. The Victorian Government can seize this moment to transform the development of shared teaching and learning resources as a substantial first move towards a more collaborative skills sector.

There was strong support among TAFEs for a lead agency to drive the development and distribution of shared curriculum.⁵⁰⁸ Victorian schools and early childhood services already have the benefit of the independent Victorian Curriculum and Assessment Authority to ensure quality and consistency

⁴⁹⁹ Submission 074 RMIT College of Vocational Education; Submission 073 Wodonga TAFE.

⁵⁰⁰ Submission 020 BKI.

⁵⁰¹ DET Administrative Data (unpublished).

⁵⁰² Submission 003 John Fischer.

⁵⁰³ Submission 073_Wodonga TAFE.

⁵⁰⁴ Submission 022 AMES Australia; Submission 054 Master Builders Association of Victoria.

⁵⁰⁵ Submission 020 BKI.

⁵⁰⁶ Consultation with TAFE CEOs (May 2020).

⁵⁰⁷ Submission 125 Victorian TAFE Association (VTA).

⁵⁰⁸ Submission 033 Holmesglen Institute; Submission 020 BKI; Submission 123 Melbourne Polytechnic; Submission 079 South West TAFE.

in curriculum, including assessment. It is proposed that FutureSkills Victoria would take a similar role in the skills sector, using its anticipated close connections to industry and community to ensure that the whole sector develops curriculum, not just education providers. FutureSkills Victoria could lead the development of excellent resources, scale them up across the sector, and establish the mechanisms for them to be reviewed and updated over time – three critical first steps towards a shared approach to teaching, learning and assessment resources.

Develop excellent curriculum

Creating excellent curriculum takes time and expertise. The most efficient and respectful way to approach the task is to build on existing resources. The Review found that effective approaches to shared curriculum begin with rigorous evaluation of existing material – as shown both in the RTA initiative (above), and in Queensland’s development of statewide curriculum when it moved to a single TAFE model. The curriculum development process in Queensland provides lessons in combining strong central leadership with an inclusive approach to providers and industry. Whether in a single TAFE model, or a unified TAFE network, Queensland has demonstrated the benefits of a statewide curriculum.

Drawing on the Queensland example, the Review recommends that FutureSkills Victoria identify curriculum leaders across a suite of key learning areas. They could be located within well-regarded providers, including those connected to FutureSkills Labs in priority industries (see 4.1). Curriculum leaders would review key resources in consultation with industry, students and communities, and determine which would be shared. They would also need to maintain close links with regulators, to ensure that resources comply with regulation.

Curriculum leaders could potentially absorb and develop the current role of DET’s six Curriculum Maintenance Managers (CMM), housed at four TAFEs and two dual sector universities. CMMs develop Victorian Training Package Purchasing Guides. These contain maximum and minimum hours for each qualification, nominal hours for units of competency, and sample training programs. CMMs also design courses for accreditation or re-accreditation and advise Government about potential implementation issues when national training packages are updated. Some stakeholders suggested expanding the CMM role into curriculum development.⁵⁰⁹

FutureSkills Victoria should also identify gaps in current curriculum, where resources either do not exist or are not at a level of quality that warrants sector-wide distribution. In these cases, the FutureSkills Innovation Fund could fund the development of new resources that are based on collaboration between providers, industry and communities. The Workforce Training Innovation Fund and the Regional and Specialist Training Fund took a similar approach. While curriculum resources developed through these funded projects were expected to be shared,⁵¹⁰ the Review heard that the aim of sharing across the VET system has not yet been widely realised.⁵¹¹

⁵⁰⁹ Submission 074 RMIT College of Vocational Education; Submission 039 VicTESOL.

⁵¹⁰ Submission 062 VETASSESS and eWorks.

⁵¹¹ DET Administrative Data (unpublished).

This year, DET launched the VET Shared Learning Resources site for TAFEs to upload and access resources. While this was an essential development, particularly during the COVID-19 crisis, the approach proposed by this Review would ensure the collaborative development, distribution and maintenance of only the highest quality resources, as determined by coalitions of leading curriculum developers and industry.

Establish mechanisms for resources to be shared

In submissions to the Review, TAFEs highlighted the relative ease with which public providers can share resources, and they saw a new agency (FutureSkills Victoria) as an opportunity to build a distinctive TAFE brand. The Review heard that Victorian TAFEs have benefited from similar structures in the past, in the consortia of specialists convened under the former State Training Board.

The Review also heard compelling arguments for the inclusion of non-TAFE providers in the roll-out of shared curriculum. The Plumbing Industry Climate Action Centre (PICAC) named the National Fire Industry's shared resources as an example of provider-industry collaboration from which all students have benefited.⁵¹² Smaller providers, especially small not-for-profit providers with limited resources,⁵¹³ can also benefit from resources developed by larger institutions while contributing their specialist expertise. Some small private providers already sell teaching, learning and assessment resources to TAFEs in specialist industries.⁵¹⁴

The need to engage industry is a further reason to extend development of shared resources beyond the TAFE network. Many industry stakeholders emphasised the need to develop curriculum jointly with industry,⁵¹⁵ and many already work with a range of VET providers to create cutting-edge teaching and learning resources. If VET is to respond to the needs of industry – not the competitive interests of providers – then quality resources must be accessible across the VET sector.

It is proposed that mechanisms for sharing resources are embedded in the FutureSkills Victoria model, namely:

- Reasonable costs of licensing curriculum for use across the network could be embedded into FutureSkills Innovation Fund investments that support curriculum development, with a dedicated pool of funding available for licensing pre-existing resources that are scaled up across the sector
- Centralised platforms for online delivery, building on the existing online infrastructure already in use in the skills sector (see 4.3) would offer a single point of distribution, and all resources could be tailored to local IT platforms

⁵¹² Submission 043 PICAC.

⁵¹³ Submission 022 AMES Australia.

⁵¹⁴ Submission 054 MNAV.

⁵¹⁵ Submission 068 Australian Nursing and Midwifery Federation (ANMF); Submission 043 PICAC; Submission 049 Glass Light Art & Architecture Synergies (GLAAS Inc); Submission 042 Victorian Skills Commission (VSC) Industry Advisory Group (IAG) Pulp, Paper and Forestry.

- FutureSkills Victoria’s proposed relationships with ACFE and higher education would enable shared curriculum development to extend across the post-secondary education and training sector over time, building on efforts led by the ACFE Board to develop a quality suite of shared teaching and learning resources for the ACFE sector.⁵¹⁶ This relationship could be especially valuable in areas of shared delivery, such as LLN and EAL courses.⁵¹⁷

Developing shared curriculum would be a foundational task of FutureSkills Victoria, showcasing its potential to build a skills sector in which collaboration can flourish.

Recommendation 6.2 – Improve assessment through shared resources and moderation

The Victorian Government should:

- Through FutureSkills Victoria, improve the quality and consistency of VET assessment by:
 - establishing moderation panels in key curriculum areas, comprising teachers from multiple providers and industry representatives
 - identifying leading resources and practices for the Recognition of Prior Learning (RPL), and strategies for scaling them up across the sector, including through the possible creation of RPL hubs, through which students can gain credit to be used at any provider
 - creating guidance on graded assessment in key curriculum areas, following negotiation with the Commonwealth Government and regulators
 - improving industry’s role in assessment by involving industry in moderation panels and extending independent validation of assessment in high-risk areas.

What this involves and what we heard

When confidence in assessment is low, confidence in graduates’ skills is eroded, reducing the value of their qualifications in the labour market.⁵¹⁸ Yet almost a third of Victorian VET students do not regard the assessment process positively,⁵¹⁹ and in numerous reviews the Australian Skills Quality Authority (ASQA) has found the quality of VET assessment to be problematic.⁵²⁰ To build trust in learning in the skills sector, improving assessment is a priority.

The Review heard some support for the development of ‘standardised’ assessment models.⁵²¹ While these can be valuable in assuring consistent measurement, the Review found that VET

⁵¹⁶ Submission 056 ACFE Board.

⁵¹⁷ Submission 039 VicTESOL.

⁵¹⁸ Oliver D and Yu S (2015) *Australia’s VET system needs fundamental change – here’s how it can be fixed*, The Conversation. <https://theconversation.com/australias-vet-system-needs-fundamental-change-heres-how-it-can-be-fixed-47701>

⁵¹⁹ DET Administrative Data (unpublished).

⁵²⁰ ____ (2016) *Quality of assessment in vocational education and training Discussion Paper*, Department of Education and Training, Canberra.

⁵²¹ Submission 111 Future Energy Skills; Submission 073 Wodonga TAFE.

assessment typically requires a more negotiated approach. The diverse contexts in which assessment occurs – and the diversity of students themselves – mean that VET assessment will always contain some degree of judgement.⁵²² Policy should not seek to eliminate assessor judgement through standardised processes but ensure that judgements are expert and well-justified.

The shared assessment resources proposed above are a starting point for sound and consistent judgements about student competency. Previous research has found that many VET teachers develop common tools, guidelines and materials to try to achieve consistency in assessments before they take place.⁵²³ Yet without some effort to also check the consistency of results, no resource can guarantee that assessments will produce fair and comparable outcomes. The fact that some stakeholders cast doubt on the ability of RTOs to accurately administer assessments suggests that challenges in assessment turn on teacher capability as well as resource quality.⁵²⁴

Establish moderation panels under FutureSkills Victoria

Moderation is a process through which assessors compare different outcomes from the same marking process in order to resolve any significant variation or disagreement in the marking.⁵²⁵ While the national *Standards for RTOs 2015* do not require moderation, many RTOs use it to improve the quality of assessment.⁵²⁶ Moderation can be both a quality assurance strategy and a valuable learning experience for the teachers involved. Research into VET moderation found that it may have ‘a collegial orientation of support rather than a managerial orientation of control’.⁵²⁷ Moderation might lead to the adjustment of an assessment outcome, or simply greater teacher consistency over time.

FutureSkills Victoria could provide a forum to expand the moderation of assessment that occurs within VET providers across the system. As one teacher noted, the use of shared teaching, learning and assessment resources (see 6.1) would enable cross-provider moderation to occur:

If we all had the same assessment (only varied within the range statement to suit individual workshops), moderation would be more realistic when done as a collaboration between TAFEs.⁵²⁸

The proposed FutureSkills Victoria’s moderation strategy would seek to improve the quality of VET assessment and teacher capability at the same time, to improve assessment practice to deliver

⁵²² Bacon R, Holmes K and Palermo C (2017) *Exploring subjectivity in competency-based assessment judgements of assessors*, Nutrition & Dietetics 74(4): 357-364.

⁵²³ ____ (2016) *Response to the Discussion Paper – Quality of assessment in vocational education and training*, NCVET Adelaide. <https://www.ncver.edu.au/news-and-events/submissions/submissions-2016>

⁵²⁴ Submission 030 Skills Impact.

⁵²⁵ Maxwell GS (2001) *Moderation of Assessments in Vocational Education and Training*, Queensland Government Department of Employment and Training. <https://vital.voced.edu.au/vital/access/services/Download/ngv:15700/SOURCE2?view=true>

⁵²⁶ For example, Australian College of Natural Medicine Pty Ltd *Validation and Moderation Policy – VET*, effective May 2020. <https://acnm.s3-ap-southeast-2.amazonaws.com/pub/DOCID-3-1483.pdf>

⁵²⁷ Maxwell (n 539).

⁵²⁸ Teacher Survey response (2020).

consistent results, rather than embed outcomes that are generated through uneven practices.⁵²⁹ The strategy would complement but not replace the *validation* of assessment required by ASQA. Validation involves groups or individuals, either employed by or external to the RTO, ‘reviewing a statistically valid sample of the assessments and making recommendations for future improvements to the assessment tool, process and/or outcomes if applicable’.⁵³⁰ It is a more formal process, and focuses on quality control rather than teacher capability.⁵³¹

FutureSkills Victoria could convene moderation panels that fit into the broader collaborative architecture of the renewed VET sector. The professional learning communities proposed to be established around key curriculum areas (see 6.1) would be a natural platform from which to create teams to look closely at assessment of specific competencies. VET educator Neil Hauxwell described how moderation has worked in the past to complement shared resources for the Certificate in General Education for Adults (CGEA):

CGEA curricula and assessment issues were ‘quality controlled’ by teachers sharing the resources they had developed and regular ‘moderation’ sessions at which assessment tasks and student work was compared to the standards set within the CGEA. Moderation was conducted at provider, local, regional and state levels. In my opinion it was a very effective monitoring system that incorporated staff development and mentoring. It also reflected the principles of adult education that facilitate student engagement.⁵³²

Leadership of the moderation process could come from FutureSkills Labs (including industry experts), or from existing experts in VET assessment such as VETASSESS at BKI.⁵³³ FutureSkills Victoria could use its monitoring and commissioning role to identify opportunities to convene panels on specific issues, and to create pathways for the insights generated through moderation to flow into both teacher professional learning and the teaching, learning and assessment resources that will be developed and shared across the sector.

The Review found three areas of VET assessment that would benefit from a more collaborative approach to building capability and consistent practice, outlined below.

Improve consistency of Recognition of Prior Learning

Recognition of Prior Learning (RPL) stood out as a highly variable area of assessment, even within VET providers. Victorian Trades Hall Council reported that students may receive different advice about RPL processes ‘depending on who they speak to on the day’.⁵³⁴ Research from the National

⁵²⁹ Meiers M, Ozolins C and McKenzie P (2007) *Improving Consistency in Teacher Judgements*, final report for the Department of Education, Victoria. https://research.acer.edu.au/cgi/viewcontent.cgi?article=1020&context=tll_misc

⁵³⁰ ____ (2015) *Fact sheet – Conducting validation*, Australian Skills Quality Authority (ASQA).

<https://www.asqa.gov.au/resources/fact-sheets/conducting-validation>

⁵³¹ ____ *What is the difference between validation and moderation?* ASQA. <https://www.asqa.gov.au/faqs/what-difference-between-validation-and-moderation-clauses-19-111>

⁵³² Submission 028 Neil Hauxwell.

⁵³³ Consultation with VETASSESS and BKI (June 2020).

⁵³⁴ Submission 109 Victorian Trades Hall Council.



Centre for Vocational Education Research (NCVER) has found that Victoria has one of the lowest rates of RPL in Australia,⁵³⁵ suggesting that many students enter VET with skills that remain unacknowledged.

This is simply not adequate to meet the challenge that Victoria is about to face, when more people will turn to the skills sector to help them transition into new industries and careers. Better RPL processes will also help Victoria capitalise on migrant skills once borders reopen, as seen in Canada and the European Union, where investment in improving RPL has enabled migrants to get their skills recognised. Wodonga TAFE predicted that a new framework for recognising skills will be one of the critical changes needed in VET in the next 10 years.⁵³⁶

As a first priority in the area of assessment, FutureSkills Victoria should strengthen RPL processes for priority industries in order to speed Victorians' transitions into high-demand jobs. The moderation model would enable practitioners to come together and collaboratively determine the best practices to scale up across the sector, supported by shared resources. Over time, the model may support a transition to a central RPL hub, at which students could access coordinated advice and potentially independent assessment. The model would also help students to know which skills can count towards their qualifications, and help expanded SJs (see 5.1) to provide advice on entry into VET courses.

Develop guidance on graded assessment for higher-level VET courses

Moderation across providers has potential to improve opportunities for VET students to receive graded assessments. While graded assessment is not currently supported in the national training system, the Review heard that graded assessments can motivate high performance in students and facilitate their pathways between VET and higher education. They may also help employers to understand graduates' level of competency,⁵³⁷ and high-performing students to improve their job prospects.

At the same time, graded assessments are not appropriate for every VET learner. Non-graded competency-based assessment has different motivational benefits, especially for vulnerable students. Not-for-profit RTO BestChance told the Review how it 'celebrates competency, not high distinctions' for its learners, recognising that competence is itself an achievement worth celebrating for learners who are battling to succeed in their course.⁵³⁸ Freedom from grading can also be a welcome relief for students who struggled at school, enabling them to experience a more collegial, practical learning environment.

The Review agrees with the Productivity Commission that reliable graded (or 'proficiency-based') assessment should be available, but not compulsory, for higher-level VET courses, so that students can demonstrate higher levels of skill.⁵³⁹ Since methods of grading assessments have varied widely

⁵³⁵ Osborne K and Serich C (2020) *Exploring the recognition of prior learnings in Australian VET*, NCVER Adelaide.

www.ncver.edu.au/_data/assets/pdf_file/0040/9660766/Exploring_the_recognition_of_prior_learning_in_Australian_VET.pdf

⁵³⁶ Submission 020 BKI.

⁵³⁷ Submission 041 Victorian Automobile Chamber of Commerce (VACC).

⁵³⁸ Consultation with BestChance (June 2020).

⁵³⁹ _____ (2017) *Shifting the Dial: 5 Year Productivity Review*, Report No.84 Productivity Commission, Canberra.

<https://www.pc.gov.au/inquiries/completed/productivity-review/report/productivity-review.pdf>



in the past,⁵⁴⁰ NCVET has identified moderation as a strategy for improving consistency.⁵⁴¹ Moderation panels convened through FutureSkills Victoria could develop shared rubrics for graded assessment in sectors with high potential for articulation from VET to higher education, or where key employers want graded assessment. FutureSkills Victoria could negotiate with the Commonwealth Government and regulators to allow for use of graded assessment in these areas. The WorldSkills framework, used as a basis for graded assessments in other countries, could be used in Victoria to design graded assessments that have international portability.⁵⁴²

Improve industry involvement in assessment processes

Industry is already involved in VET assessments that require capstones or independent validation that a student has attained the right level of skill. This involvement is especially important for high-risk skills, where inadequate skill levels could jeopardise workplace health and safety. The Victorian skills sector needs to maintain these independent assessments as an essential part of quality VET provision.

Independent assessment has also been pursued when crises have placed the quality of training at risk. When Victorian students fell victim to low-quality providers during the peak of contestability, the Victorian Registration and Qualifications Authority (VRQA) worked with the Australian Council for Private Education and Training (now the Independent Tertiary Education Council Australia) to develop capstone assessments to enable students to verify their skills in a way that industry would trust.⁵⁴³ Similar measures may be needed for students hit hardest by COVID-19, especially those whose workplace-based learning has been disrupted. Capstone assessments for apprentices and trainees could be part of renewed investment in these programs,⁵⁴⁴ either in partnership with the Commonwealth Government (as recommended by the Joyce Review), or by building on the independent assessment pilots that Victoria already has underway.

While industry validation provides valuable quality assurance, it is too costly and complex to scale up across the entire VET sector. The Review found support, including from ASQA,⁵⁴⁵ for moderation as a cost-effective alternative to independent validation.⁵⁴⁶ Moderation may also provide an avenue to involve industry representatives more in improving assessment practice as part of a shared commitment to improving VET quality. Beyond independent validation, the Review heard that industry input into assessment is 'minimal and, in most cases, non-existent',⁵⁴⁷ which reduces trust in VET qualifications.

⁵⁴⁰ Gillis S, Clayton B and Bateman A (2008) *Scoping Current Research and Practices in Graded Assessments*, Draft Report December, Victoria University.

⁵⁴¹ Williams M and Bateman A (2003) *Graded assessment in vocational education and training: An analysis of national practice, drivers and areas for policy development*, NCVET Adelaide.

⁵⁴² ____ (2020) *Applied Research and Innovation in TAFE*, webinar series Victorian TAFE Association.

<https://vta.vic.edu.au/doctest/research-applied/973-flyer-applied-research-webinar-march-2020/file>

⁵⁴³ Consultation with the VRQA (April 2020).

⁵⁴⁴ Submission 062 VETASSESS and eWorks.

⁵⁴⁵ ____ (2016) *Quality of assessment in vocational education and training Discussion Paper*, Department of Education and Training, Canberra.

⁵⁴⁶ ____ (2016) *Quality of assessment in vocational education and training Discussion Paper*, Department of Education and Training, Canberra; Consultation with Business Council of Australia (May 2020).

⁵⁴⁷ Submission 064 Victorian Farmers Federation (VFF).



There are promising signs that assessment practice improves when industry is involved in a collegial, advisory capacity. Chisholm Institute reported involving industry in all aspects of training and assessment. The Air Conditioning & Mechanical Contractors' Association (AMCA) is partnering with employers to provide 'advice regarding the assessment activities used by TAFE and the regulator to validate a students' competency'.⁵⁴⁸ FutureSkills Victoria could take these approaches to scale by involving industry in moderation panels with VET teachers, in order to improve assessment practices and build trust in their outcomes.

Recommendation 6.3 – Lead national reform to get training packages right

The Victorian Government should:

- Position Victoria as a leader in national training package reform by:
 - using FutureSkills Victoria to develop shared curriculum to build an evidence base for national reform of training product development
 - working with the Commonwealth and other states and territories to examine lessons from the fast-tracked qualifications approval model used by the Emergency Response Sub-Committee of the Australian Industry Skills Committee, and the model's potential use for updating national training packages.

What this involves and what we heard

The national training packages on which VET courses are based remain one of the most contentious issues in Australian VET policy. Training packages have attracted widespread criticism, with many experts arguing that they reduce training to the acquisition of a narrow set of competencies, rather than a broader skills base.⁵⁴⁹ The Review heard such criticisms often. Providers and industry alike are also concerned about how slowly training packages are updated, and the significant constraint this places on VET's responsiveness to industry.⁵⁵⁰

Since training packages are developed at a national level, State Governments have limited opportunity to influence them directly. The Review urges the Victorian Government to continue its advocacy for improvements to the training package model, given ongoing concern about its impact on the quality of VET provision. Victoria has two key opportunities to strengthen its position in national debates.

Use FutureSkills Victoria to build an evidence base for better VET design

For national debates about training packages to move forward, the criticism of training packages must be accompanied by a vision of an effective alternative. The sector leadership provided by FutureSkills Victoria could produce a clearer view of how excellent VET teaching practice can occur

⁵⁴⁸ Submission 122 Air Conditioning and Mechanical Contractors Association (AMCA).

⁵⁴⁹ Submission 094 University of Melbourne.

⁵⁵⁰ Submission 101 SuniTAFE; Submission 061 National Electrical Communications Association (NECA).

within training packages, and where they may need to be adjusted to enable it. It will be necessary to delineate more clearly where training packages end and ‘curriculum’ begins, which is an identified point of confusion in VET research.⁵⁵¹ Some submissions argued that problems with training packages arise not primarily from issues in the packages themselves but from expectations that they will fulfil a ‘curriculum’ role for which they are not suited.⁵⁵²

This Review also proposes a range of reforms to create innovation and excellence in VET teaching and learning. These include FutureSkills Labs (see 4.1); local collaborations led by expanded SJs (see 5.1); and practice insights arising from teacher professional learning communities and from the FutureSkills Insights platform (see 2.1). FutureSkills Victoria offers a central point to coordinate and analyse these insights and feed them into a strong, evidence-based position on where training packages need to change. Establishing this connection between practice and policy would greatly improve the Victorian Government’s ability to advocate through national processes on behalf of the Victorian skills sector.

Pursue emerging opportunities to increase the speed of training package updates

Movement is underway to accelerate the review and updating of training packages. In November 2019, the COAG Skills Council agreed to a suite of initiatives to streamline the national training system, including changes to training packages to ‘accelerate the timeframes for training package work’ and ‘simplify structure and remove unnecessary prescriptive detail’.⁵⁵³ In the COVID-19 crisis, the Emergency Response Sub-Committee of the AISC fast-tracked a model for qualifications approval. These developments point to new possibilities for addressing concerns about the speed of training package updates.

The practice insights generated through FutureSkills Victoria could also demonstrate how VET curriculum can be more responsive and adaptive to industry needs. The innovations led by FutureSkills Labs should be an especially rich source of practice insights, which could feed into improving the agility of national VET. FutureSkills Victoria should provide an exemplar for how a skills sector can be collaborative, mission-led and student-centred in all aspects of qualification design and delivery. Victorian innovation could create interest in similar future-focused models across Australia.

Recommendation 6.4 – Grow the next generation of VET innovators

The Victorian Government should:

- Pursue a strategy through FutureSkills Victoria to grow the VET workforce by:

⁵⁵¹ Schofield K and McDonald R (2004) *Report of the High Level Review of Training Packages*, produced for the Australian National Training Authority, Melbourne. <https://vital.voced.edu.au/vital/access/services/Download/ngv:5968/SOURCE2?view=true>

⁵⁵² Submission 118 Furnishing Industry Training Advisory Group (FITAG); Submission 030 Skills Impact.

⁵⁵³ ____ (2019) *Streamlining the National Training System*, Australian Industry Skills Committee.

<https://www.aisc.net.au/content/streamlining-national-training-system>



- leading development and scale-up of flexible models for entry into VET teaching careers, including industry-specific teacher training and a traineeship pathway for industry experts and leading innovators to transition into VET teaching
- identifying and sharing best practice in teacher recruitment and retention, including dual employment models in teaching and industry, and using student alumni networks to identify future teachers
- working with providers, unions and research bodies to improve data on the VET teaching workforce (through use of FutureSkills Insights), thereby helping to renew a workforce with capacity to respond to community and industry needs.

What this involves and what we heard

VET teaching is itself an area of skills shortage in Victoria. Many providers told the Review that they faced serious challenges recruiting sufficient VET teachers, especially those with specialised skills.⁵⁵⁴ As in other sectors, skills shortages are felt most strongly outside metropolitan Melbourne.⁵⁵⁵ Because many VET teachers had previous careers in industry, VET has an older teaching workforce than that of other education sectors,⁵⁵⁶ and must constantly replenish itself as teachers retire. As teachers enter the sector, they bring new ideas and industry connections, meaning that workforce renewal also fosters innovation.

Victoria also needs to do more to retain VET teachers. The 2020 *State of our TAFEs* survey found that 94 per cent of VET teachers were working in a job they had considered leaving, while 76 per cent had considered leaving the sector in the last three years. Commonly cited reasons for wanting to leave include workload and excessive hours, lack of support for staff, and arduous compliance requirements.⁵⁵⁷ Industry also believes that VET teaching is ‘overly bureaucratic’ work.⁵⁵⁸

The Review sees two potential roles for the Victorian Government in enabling the skills sector to attract passionate teachers with industry expertise. The first involves making teacher preparation programs more attractive and flexible. The second involves addressing role design issues that may be driving teachers away and deterring new entrants. While some submissions raised the issue of wages – with mixed views about the competitiveness of VET wages relative to industry – the Review sees wages as a matter for union and employer negotiation.

Create flexible entry pathways from industry to VET teaching

All VET teachers must complete a Certificate IV in Training and Assessment (known as the ‘TAE’) when they enter the profession. The Review heard many criticisms that the TAE was overly focused on compliance,⁵⁵⁹ and did not prepare teachers to provide quality competency-based training⁵⁶⁰ or

⁵⁵⁴ Submission 125 VTA; Submission 118 FITAG; Submission 054 MBAV.

⁵⁵⁵ Submission 079 South West TAFE.

⁵⁵⁶ Submission 020 BKI; Submission 073 Wodonga TAFE.

⁵⁵⁷ ____ (2020) *State of our TAFEs*, Australian Education Union. <http://www.aeufederal.org.au/news-media/media-releases/2020/jul/090720>

⁵⁵⁸ Submission 122 AMCA.

⁵⁵⁹ For example, Submission 074 RMIT College of Vocational Education and Submission 081 Dr Anne Dening.

⁵⁶⁰ Submission 081 Dr Anne Dening.



to meet the needs of diverse students.⁵⁶¹ While some stakeholders noted recent improvements in TAE content, it still falls short of the mark.⁵⁶²

Some stakeholders argued that VET teaching should require higher qualifications: either Australian Quality Framework Level 5 (Diploma)⁵⁶³ or even a degree.⁵⁶⁴ Yet opinions were mixed about the suitability of these qualifications. The current Diploma of VET does not include a work placement,⁵⁶⁵ and while degrees have been associated with higher-quality VET teaching⁵⁶⁶ there are also concerns about the relevance of academic qualifications to VET practice. A lack of trust that VET is able to properly train its own teachers may also further undermine the reputation of VET.

Even the TAE was seen as deterring industry experts from entering VET teaching,⁵⁶⁷ especially those who hold higher qualifications in their industry.⁵⁶⁸ One teacher cautioned against ‘qualification escalation’ in VET teaching, urging the VET sector to better recognise the diverse skills and experience that people from industry can bring to the profession.⁵⁶⁹ The Review recognises that while teaching skills are a vital attribute for all VET teachers, the teaching workforce needs to attract and reward both industry and teaching expertise.

Stakeholders urged the Victorian Government to focus more on teaching practice in the TAE,⁵⁷⁰ and on options to customise it for different industries. Although changes to the TAE can only be made nationally, Victoria can make VET teacher preparation more attractive and effective. Industry and providers alike raised industry-based teacher preparation programs as a promising ‘transition’ model. The Master Builders Association of Victoria said:⁵⁷¹

We support members to re-train as trainer/assessors through transitioning them from teaching non-accredited short courses while they undertake a Certificate IV TAE, then slowly introducing them to accredited units. Currently this is an ad hoc model, with small number take up, but could be rolled out as a larger scheme.⁵⁷²

Another industry group, GLAAS Inc, has also provided ‘a huge amount of additional support and mentoring’ to skilled tradespeople while they completed their TAE. Recipients said they could not have completed the qualification without it. Teachers supported such programs as offering ‘curious

⁵⁶¹ Submission 123 Melbourne Polytechnic.

⁵⁶² Consultation with the International Specialised Skills Institute (ISSI).

⁵⁶³ Submission 088 AEU.

⁵⁶⁴ Submission 034 Katherine White.

⁵⁶⁵ Consultation with the AEU.

⁵⁶⁶ Smith E (2017) *The effects of teacher/trainer qualifications on the quality of VET teaching/training*, Federation University.

⁵⁶⁷ Harris R (2017) *What do we learn from 40 years of history? Issues in VET teacher education from Kangan to today*, International Journal of Training Research 15(1): 4-22; Submission 073 Wodonga TAFE; Submission 083 GLAAS Inc; Submission 025 Chartered Institute of Logistics and Transport (CILTA); Submission 118 FITAG; Submission 111 Future Energy Skills; Submission 042 VSC IAG (Pulp, Paper and Forestry).

⁵⁶⁸ Submission 073 Wodonga TAFE.

⁵⁶⁹ Teacher Survey response (2020).

⁵⁷⁰ Submission 083 GLAAS Inc; Submission 118 FITAG.

⁵⁷¹ Submission 079 South West TAFE; Submission 111 Future Energy Skills.

⁵⁷² Submission 054 MBAV.



industry people' the opportunity to transition gradually into VET teaching, while maintaining their industry identity and connections.

CASE STUDY

QUALITY TRADE TEACHER PILOT PROGRAM

Developing the pipeline of quality building trades teachers is an innovative new pilot program to boost the quality and number of Victorian building trade teachers. The project, which is running through 2020, is supported by the Victorian Government.

The pilot emerged from research into the supply of plumbing trade teachers by project partners Chisholm Institute, the Gordon TAFE and PICAC. The project has been scaled up to include other the electrical and carpentry trades – along with plumbing, Victoria's most popular apprenticeships. The project involves:

- Professional development to develop the teaching skills of new building trade teachers, with a bespoke TAE program delivered by building industry experts.
- A digital communications platform to support Victorian training providers to accelerate learning for potential new trade teachers as they gain their TAE.

The target group for the pilot is 10 Industry Specialist teachers who are still working in the trade but making their first steps into teaching on a part-time basis.

Mentoring from expert VET teachers is another strategy to support beginning teachers that has proven effective in other areas of teacher education.⁵⁷³ It recognises that VET teachers learn a lot of their craft 'on the job',⁵⁷⁴ and that the learning from formal qualifications is best understood in the context of day-to-day teaching work.⁵⁷⁵ Melbourne Polytechnic proposed a workplace-based learning component to enhance the TAE, including expert on-the-job supervision and support.⁵⁷⁶ This approach could be developed as part of new work-integrated learning models (see 5.4), so that VET teachers themselves learn using the practical, work-based methods that they will use with their students. A model for teacher preparation that includes demonstrations of practice could inform potential future registration of VET teachers who achieve competence in their role.

The Review heard that other jurisdictions are already developing traineeship pathways for industry experts to transition into teaching. FutureSkills Victoria's relationships with industry and providers would enable it to pursue such initiatives, with a focus on priority sectors through FutureSkills Labs and regional communities through expanded SJs.

These initiatives should be informed by FutureSkills Insights data on the VET teaching profession, including areas of skills shortage and demographic data. Tailored entry pathways may also be an ideal avenue for promoting greater diversity in the VET teaching workforce.

⁵⁷³ Burn K and Mutton T (2015) *A review of 'research-informed clinical practice' in Initial Teacher Education*, Oxford Review of Education 41:2, 217-233.

⁵⁷⁴ Submission 017 Name withheld.

⁵⁷⁵ Submission 083 GLAAS Inc.

⁵⁷⁶ Submission 123 Melbourne Polytechnic.



Improve the attractiveness of VET teaching careers by promoting innovation

The skills sector's health depends to an important degree on the attractiveness of VET teaching careers. Other recommendations in this Report would improve the attractiveness of VET by elevating the status of the sector and its level of innovation. As more Victorians recognise the importance of a strong skills base for economic recovery, more may be inspired to join the professionals who are skilling the next generation. As the VET sector revitalises and its hardest days fade from memory, student alumni may be attracted to teaching as a new generation of VET professionals.

When the Victorian Government promotes the VET and ACFE sectors (see 1.1), it should also promote the importance of the teachers who work in them, and the contribution they make to Victoria's growth. This promotion must be underpinned by genuine opportunities for VET teachers to pursue rewarding careers, characterised by continuous learning and innovation rather than bureaucracy and compliance. This requires further reform to VET teachers' workloads and professional learning, as described below.

Recommendation 6.5 – Set clear expectations for VET and ACFE teacher professional learning

The Victorian Government should:

- Set clear expectations for providers that all VET and ACFE teachers will engage in regular professional development by:
 - establishing in provider contracts that all VET teachers (including casuals) will have access to regular professional learning, both to maintain current industry knowledge and seek higher qualifications
 - setting explicit expectations in ACFE registration requirements that all teachers will be supported to engage in professional development
 - committing to fund the costs of regular teacher professional learning for all ACFE and Skills First providers in new funding models for quality VET and ACFE.

What this involves and what we heard

Great VET teachers model the lifelong learning skills that they instil in their students,⁵⁷⁷ and they stay curious about new ways to improve their teaching and industry expertise. Yet opportunities to access quality professional development to stimulate new thinking vary across the skills sector. The Gordon said that general underinvestment in VET had produced a 'lack of significant investment in teacher professional development'⁵⁷⁸ and limited the sector's responsiveness to student and employer needs.⁵⁷⁹

⁵⁷⁷ Submission 125 VTA.

⁵⁷⁸ Submission 084 The Gordon Institute.

⁵⁷⁹ Submission 020 BKI.



While staff in large institutions may access in-house professional learning, elsewhere the question of who pays for professional development is a ‘vexatious issue’.⁵⁸⁰ Responsibility for professional development often falls to teachers themselves, so many seek out lower-cost activities⁵⁸¹ and complete them in their own time.⁵⁸² Access to professional learning is especially hard for the sessional staff who make up a large proportion the VET workforce, and for staff who teach across multiple institutions.

The Review believes that access to teacher professional development is essential for maintaining a dynamic, innovative VET sector, and for retaining great teachers. There is a clear need for the Victorian Government to use its funding and regulation levers, working together, to ensure that every VET teacher has access to ongoing learning opportunities. A sustainable strategy for growing teacher capability should be both mandated and adequately resourced.

In provider contracts, require providers to support professional development relevant to teachers’ needs

The current Multi-Enterprise Agreement (MEA) for TAFE teachers does not provide an entitlement to a specific number of hours for professional development. Instead, it requires that the following broadly defined professional development activities are considered in teachers’ workplans:

- Maintaining teaching and vocational currency
- Program related applied research and innovation⁵⁸³

Allocation of tasks under the workplan must conform to limits on allocated teaching hours, and take into account the teacher’s attributes, such as their level of experience. This leaves considerable scope for professional learning to vary across the TAFE workforce. Other industrial agreements for dual sector universities do specify minimum hours of professional development: for example, 30 hours a year at Swinburne, and 50 hours a year at RMIT.⁵⁸⁴

Providers can also use purchasing arrangements and regulation to set professional learning requirements. Skills First contracts demonstrate a top-down approach, requiring providers to ‘ensure that teachers comply with any requirements from DET to undertake professional development or training, within the timeframes specified by DET’. Providers must also maintain records of staff participation in professional development – although it is not clear how these records are to be used.⁵⁸⁵

⁵⁸⁰ Stevens D and Deschepper A (2018) *Good Practice in Teaching and Learning – a guide to practitioner perspectives*, Deschepper Consulting. https://vdc.edu.au/wp-content/uploads/2018/07/Final_User_Guide-April-2018.pdf

⁵⁸¹ Harris R (2017) *What do we learn from 40 years of history? Issues in VET teacher education from Kangan to today*, International Journal of Training Research 15(1): 4-22.

⁵⁸² Submission 060 Outdoors Victoria; Submission 039 VicTESOL.

⁵⁸³ ____ (2018) *Application for approval of the Victorian TAFE Teaching Staff Agreement*, Fair Work Commission Decision (AG2018/5071), 32.10. <https://www.fwc.gov.au/documents/documents/agreements/fwa/ae500437.pdf>

⁵⁸⁴ Information provided by the AEU (August 2020).

⁵⁸⁵ ____ (2017) *Standard VET Funding Contract 2018-19 Skills First Program*, Department of Education and Training, Victoria. https://www.education.vic.gov.au/Documents/training/providers/rto/2018-19_Standard_v1.pdf



The national *Standards for RTOs 2015* also require teacher professional development to occur:

The RTO ensures that all trainers and assessors undertake professional development in the fields of the knowledge and practice of vocational training, learning and assessment including competency-based training and assessment.⁵⁸⁶

These standards do not specify the amount of professional development, nor the obligations of the RTO to facilitate access to it.⁵⁸⁷ No systemic data is kept about how the standards are met.⁵⁸⁸

Both sets of provider requirements position teacher professional development as a compliance exercise rather than a tool for innovation and continuous improvement. The Skills First requirement to comply with DET professional development requirements is at odds with the drive towards a learning system proposed in this Review. Centrally directed professional learning requirements can deplete providers' professional learning budgets and create high levels of anxiety and mistrust among staff, as evidenced in the widespread 'consternation' caused by recent requirements for all VET teachers to upgrade their TAE.⁵⁸⁹

The Review recommends that the Victorian Government reframe the professional learning requirements of Skills First contracts in terms of their benefits to teachers and students. The change would be linked to each provider's continuous improvement strategy and improvement cycle (see 6.8). Each provider would need to demonstrate that the professional learning its teachers undertake links to its improvement goals towards achieving the FutureSkills Victoria mission. Providers would then be supporting the entitlement to professional development set out in the MEA, while retaining the flexibility to tailor professional learning to teachers' needs.

The costing model for VET providers must also take into account funding for professional learning. At present, TAFEs may receive short-term funding to address identified teacher capability needs, but there is no provision to ensure professional development is sustained. The Review recommends that in development of the new model, providers who offer excellent professional learning are consulted to determine indicative costs, adjusted for provider size, staffing profile, and geographic location.

Greater clarity is needed in national requirements for current industry knowledge

At a national level, activities that constitute professional learning need to be clarified. The national *Standards for RTOs 2015* clearly define professional development, and list examples of the kinds of activities that it might involve. Yet in a later definition of activities through which teachers can maintain current industry knowledge, the Standards confusingly distinguish activities such as

⁵⁸⁶ *Standards for Registered Training Organisations (RTOs) 2015* (Cth), r 1.16. <https://www.legislation.gov.au/Details/F2019C00503>

⁵⁸⁷ ____ (2018) *Submission to the Review of the National Vocational Education and Training Regulator Act 2011*, ASQA. <https://submissions.education.gov.au/Forms/nvetr/Documents/030.pdf>

⁵⁸⁸ Tyler M and Dymock D (2017) *Continuing professional development for a diverse VET practitioner workforce*, NCVET Adelaide. https://www.ncver.edu.au/_data/assets/pdf_file/0036/496944/Continuing-professional-development.pdf

⁵⁸⁹ Submission 083 GLAAS Inc; Submission 068 ANMF; Submission 123 Melbourne Polytechnic.



professional reading or industry projects from ‘professional development’, despite these activities being on the Standards’ own professional development list.⁵⁹⁰

The result is an artificial distinction between maintaining industry skills and teacher professional learning. Defining the maintenance of industry knowledge as a form of professional development (rather than distinct from it) would make it clear that the obligations of providers to support teacher professional development include an obligation to support their industry currency. This clarification would reduce unhelpful competition between developing industry currency and pedagogical practice. It would also strengthen the relationship between industry knowledge and teaching practice by clarifying that excellent teachers must not only know their industry but be able to ‘draw on that in their teaching’.⁵⁹¹ Focusing on the use of industry knowledge in teaching may make teachers more likely to choose meaningful industry engagement activities that yield direct benefit for their teaching practice – rather than ‘getting the tick’ for compliance purposes.⁵⁹²

The Review believes that the same question should apply to both industry engagement and other professional learning: *How does this activity contribute to my professional knowledge and how will I apply that knowledge to my practice to support the learning of those I teach?*

Recommendation 6.6 – Expand collaborative teacher professional learning

FutureSkills Victoria should:

- Through the VET Development Centre (VDC), expand the suite of professional development options available to teachers in the skills sector by:
 - establishing a mentoring program for beginning VET teachers as part of the supported VET teacher preparation program proposed above
 - supporting more fellowships for leading teachers to undertake action research
 - establishing professional learning communities that include industry and community partners to support curriculum development
 - exploring team teaching, such as pairing technical and language support teachers or pairing inexperienced and expert teachers to deliver classes, as a method both of provision and professional learning
 - expanding teaching awards, and using winners to expand the pool of mentors
 - coordinating industry placements, and co-designing other mutually beneficial professional learning opportunities in partnership with industry
 - providing leadership programs, including talent identification.

⁵⁹⁰ *How can I demonstrate that I have maintained the currency of my industry skills?* ASQA website.

<https://www.asqa.gov.au/faqs/how-can-i-demonstrate-i-have-maintained-currency-my-industry-skills-and-my-trainer-assessor>

⁵⁹¹ Smith E and Yasukawa K (2017) *What makes a good VET teacher? Views of Australian VET teachers and students*, International Journal of Training Research 15(1): 23-40.

⁵⁹² Submission 025 CILTA.

- Through the VDC, explore longer-term options for linking teacher professional development to career pathways, backed by a VET teacher capability framework and an ‘educator passport’ to record professional skills.

What this involves and what we heard

Effective teacher professional learning can involve a wide range of formal and informal activities, from professional reading to completion of higher qualifications. Like all adult learning, teacher professional development is most effective when teachers see value in it, and have the opportunity to manage their own learning to meet their goals.⁵⁹³ The Review was therefore concerned to hear that professional development for Victorian VET teachers often focuses on compliance tasks that occupy a large part of teachers’ time. This not only contravenes the principles of adult learning that VET teachers espouse in their practice; it also undermines quality by reinforcing ‘compliance driven pedagogy’.⁵⁹⁴

A revitalised suite of teacher professional development options would inject fresh thinking and practice into the Victorian skills sector. These options should involve not only traditional models of professional development, such as courses or workshops (either online or face-to-face). They should also involve opportunities for teachers to learn from each other and from industry, and to share their own expertise. Locating the VDC in FutureSkills Victoria would support moves towards more collegial, sector-wide professional development opportunities, including with industry and community groups. It would also support joint development of programs for VET, ACFE and higher education staff. Examples of what the expanded suite of options could involve are outlined below.

Learning with colleagues

Many submissions highlighted the value of collaborative professional learning, including:

- **Professional learning communities** are formal networks for teachers to share ideas and practice within and across institutions. VDC-led professional learning communities based on the Queensland model could be built into the design of shared curriculum for the Victorian VET sector (see 6.1). As the smallest TAFE, SuniTAFE strongly advocated for communities of practice to be supported across the sector.⁵⁹⁵
- **Action research** can be a highly effective professional learning strategy for advanced teachers. DET funds annual International Specialist Skills Institute Fellowships to 10 VET or ACFE teachers, enabling them to undertake 3–4-week international research projects.⁵⁹⁶ Similar domestic fellowships could be offered by the VDC.

⁵⁹³ Adult Learning Australia <https://ala.asn.au/adult-learning/the-principles-of-adult-learning/>

⁵⁹⁴ ____ (2019) *Submission to the Commonwealth Vocational Education and Training Review*, National Australian Apprenticeship Association. <https://pmc.gov.au/domestic-policy/vet-review/vocational-education-and-training-review-submissions>

⁵⁹⁵ Submission 101 SuniTAFE.

⁵⁹⁶ ____ (2020) *VET International Practitioner Fellowship – Application Guidelines*, Department of Education and Training and the International Specialised Skills Institute (ISSI). <https://www.issinstitute.org.au/wp-content/uploads/2020/01/DET-GUIDELINES-2020-FINAL.pdf>



- **Mentoring** is another peer-to-peer professional learning strategy that can occur in the workplace,⁵⁹⁷ and would be especially effective for beginning teachers (see 6.6). The VDC could identify and train a pool of mentors, employing the TAFE Multi-Enterprise Agreement, which includes mentoring in the typical responsibilities of VET Education Managers.⁵⁹⁸ Box Hill suggested that COVID-19 may generate a new pipeline of mentors from industry.⁵⁹⁹
- **Team teaching** is a strategy for teachers to learn from each other while improving delivery of VET courses. Potential models include technical teachers working alongside language, literacy and numeracy teachers,⁶⁰⁰ or expert teachers delivering content remotely, alongside colleagues teaching face-to-face.
- **Awards** are a way of rewarding excellence and revealing it to others. The Victorian Training Awards (now in their 66th year) have undergone a recent resurgence, and the ‘Teacher/trainer of the year’ category attracts a strong field. Winners who take on mentoring roles could translate individual excellence into sector-wide improvement.⁶⁰¹ Additional award categories would further increase the pool of expert mentors in specialist areas, which could be linked to action research projects (see above).⁶⁰²

Learning with industry

- **Industry involvement in professional learning communities** can open up collaborative learning to a wider group of teachers and industry experts, and help VET teachers maintain a sense of belonging both in the teaching profession and their industry.⁶⁰³ Industry engagement with teaching, which is sporadic at present, could become regular if industry were included in the professional learning communities that oversee shared VET curriculum. As one TAFE teacher said:

We have had one session where we did validation with an industry professional to look at whether what we are teaching matches what they expect. This was very beneficial and should happen at least yearly but doesn't.⁶⁰⁴

SuniTAFE also proposed an online community, such as an industry network database, ‘where teachers can access ‘live’ intelligence from leading business operators’.⁶⁰⁵ Opportunities for

⁵⁹⁷ Harris R (2017) *What do we learn from 40 years of history? Issues in VET teacher education from Kangan to today*, International Journal of Training Research 15(1): 4-22.

⁵⁹⁸ Victorian TAFE Teaching Staff Agreement 2018.

⁵⁹⁹ Submission 009 Box Hill Institute.

⁶⁰⁰ Black S and Yasukawa K (2011) *Working Together: Integrated Language, Literacy and Numeracy Support in Vocational Education and Training*, University of Technology Sydney (UTS).

⁶⁰¹ Submission 022 AMES Australia.

⁶⁰² Stevens and Deschepper (n 594).

⁶⁰³ Submission 101 SuniTAFE.

⁶⁰⁴ Teacher Survey response (2020).

⁶⁰⁵ Submission 101 SuniTAFE.

industry involvement could be short-term or sustained, to provide options for engaging small and medium enterprises as well as larger employers.

- **Co-designed professional learning** would involve industry working with VET teachers on mutually beneficial activities. It may include joint creation of professional development programs;⁶⁰⁶ working together to enhance curriculum;⁶⁰⁷ pursuing collaborative projects;⁶⁰⁸ or placements where the VET teacher reciprocates the learning by training industry staff.⁶⁰⁹ Partnerships with industry in co-creating professional development are underutilised in Victoria, partly due to lack of collaboration between VET providers.⁶¹⁰
- **Industry placement** should be mandatory for VET teachers, according to the Victorian Automobile Chamber of Commerce.⁶¹¹ Others suggested more flexible models, such as volunteering.⁶¹² The Victorian Farmers Federation recalled the Victorian Government's acclaimed Teacher Release to Industry program⁶¹³ (40-week industry placements for experienced school teachers), which also generated 'mini' versions coordinated through LLENs.⁶¹⁴ Previous research has suggested that similar industry scholarships could be coordinated by the VDC.⁶¹⁵ It should be noted that research has found that the requirement for VET teachers to have industry currency is 'often confused with industry placement'.⁶¹⁶ To ensure placement is purposeful, research suggests that teachers keep a log book of placement learning outcomes.⁶¹⁷

Leadership development

Professional learning must develop a strong leadership voice for the VET sector. The future of VET depends on leaders who can champion excellence and manage change. The British College of the Future's vocational education project focuses on leadership:

As colleges change, so the nature of leadership and governance required also changes. College leaders have to be systems leaders, deeply embedded within their communities, and with strong national and international networks too. This could be facilitated by the

⁶⁰⁶ Submission 126 Australian Institute of Refrigeration, Air Conditioning and Heating (AIRAH).

⁶⁰⁷ See HVAC Centre of Excellence at Holmesglen <https://holmesglen.edu.au/Industry/Holmesglen-HVAC-Centre-of-Excellence/>

⁶⁰⁸ Stevens and Deschepper (n 594).

⁶⁰⁹ Submission 073 Wodonga TAFE.

⁶¹⁰ Submission 083 GLAAS Inc.

⁶¹¹ Submission 041 VACC.

⁶¹² Submission 022 AMES Australia.

⁶¹³ Submission 064 VFF.

⁶¹⁴ ____ (2009) *Inquiry into Effective Strategies for Teacher Professional learning Final Report*, Parliament of Victoria Education and Training Committee. https://www.parliament.vic.gov.au/images/stories/committees/etc/PL_Report/fullreport.pdf

⁶¹⁵ Stevens and Deschepper (n 594).

⁶¹⁶ Clayton B, Jonas P, Harding R, Harris M and Toze M (2013) *Industry currency and professional obsolescence: what can industry tell us? Support document*, NCVET Adelaide. <https://www.ncver.edu.au/data/assets/file/0014/3623/2622s.pdf>

⁶¹⁷ Ibid.



development of a national leadership network, focussed on staff development and UK-wide collaboration.⁶¹⁸

There is strong support for VET leadership programs in Victoria, potentially delivered in a dedicated academy (or in partnership with the DET-led Bastow Institute for Educational Leadership). The VDC also noted the need for talent identification and succession planning, to support future VET executives along their leadership development journey.

Explore long-term options to link professional learning to career development

In the longer-term, teacher professional learning could become part of a structured approach to teacher career development. One teacher said:

I think many [teachers] would benefit from a sector wide PD and Career progression model that builds on basic skills and gives them the confidence to progress into further studies. It would be best if this was standardised across the sector to allow staff to move between TAFEs and continue their progress. I believe this would improve recruitment, retention, quality of training and most importantly student outcomes.⁶¹⁹

The TAFE MEA already rewards professional learning to some extent, by linking progression to the acquisition of higher qualifications.⁶²⁰ Yet qualifications alone cannot recognise the diversity of skills in the VET workforce. The jump from the entry-level Certificate IV to the Diploma can also deter teachers from progressing in their careers.

Chisholm Institute has shown leadership in developing its own approach to connecting professional learning and career pathways. Its approach comprises three main elements:

- **The Professional Educator Framework** describes teacher professional practice in seven domains, including educational planning, student support and continuous improvement. Educators assess themselves as *emerging*, *developing*, or *experienced* for each domain – using a profiling tool followed by discussion with their supervisor.⁶²¹
- **The Professional Educator College** was established in 2015 to ‘build educator capability through quality professional programs and practices that meet both student and industry needs’.⁶²² It offers two types of programs: Learning Journeys are three- to six-month programs linked to the Framework; and short electives are offered to meet ‘just in time’ learning needs.

⁶¹⁸ ____ (2019) *Independent Commission on the College of the Future – Progress Report*, United Kingdom.

<https://www.collegecommission.co.uk/progress-report>

⁶¹⁹ Teacher Survey response (2020).

⁶²⁰ ____ (2020) *Building capability and quality in VET teaching: opportunities and challenges*, NCVET Adelaide.

<https://www.ncver.edu.au/research-and-statistics/publications/all-publications/building-capability-and-quality-in-vet-teaching-opportunities-and-challenges>

⁶²¹ ____ (2020) “Professional Educator College Discussion Paper” Chisholm Institute.

⁶²² Ibid.



- **The Educator Passport** publishes the Framework’s capability statements on an app to support self-assessment and provide a portable record of teachers’ professional expertise. Developed with DET funding in 2018, the Passport was piloted across five Victorian TAFEs, three of which still use it. Four more Victorian TAFEs have since adopted the Educator Passport system for their organisations.⁶²³

Chisholm Institute sees potential to scale up its model across the system, and for professional development to deliver a series of microcredentials or skill sets (recorded in the Educator Passport) that would build to a qualification over time. The Review believes this model could transform career pathways in VET, enabling teachers to build their general and specialised teaching expertise towards a ‘ladder’ of rewarding career goals. It would also align with the ACFE Board’s Professional Development Strategy, which includes development of a professional educator capability framework for the ACFE sector.⁶²⁴

The VDC already uses a VET teacher capability framework to ensure that professional development delivers the right capabilities. The VDC suggests that this framework could form the basis of a professional learning recognition system (based on the Educator Passport, for example) for TAFE, ACFE and Skills First teaching staff. From its place within FutureSkills Victoria, the VDC would be well placed to lead development of this new system in collaboration with providers, recognising that all reforms for teacher professional learning and recognition must be developed ‘by the profession for the profession’.⁶²⁵

Recommendation 6.7 – Advocate for streamlined VET regulation, including self-accrediting status for trusted providers

The Victorian Government should:

- Advocate that Australia develop a streamlined approach to VET regulation by:
 - significantly strengthening market entry requirements for new Registered Training Organisations (RTOs)
 - developing and applying transparent categories for RTO providers based on their track record of delivering quality education and training, level of maturity, and effectiveness in meeting skills needs. Provider categories would:
 - enable ASQA and other regulators to take a risk-based, proportionate approach to regulating VET providers, reducing the regulatory burden on mature, well-established and high-performing VET providers
 - provide quality and reputation signals to learners and employers
 - be a first step to creating a pathway to self-accreditation for Australia’s most highly regarded VET institutions.

⁶²³ Ibid.

⁶²⁴ Submission 056 ACFE Board.

⁶²⁵ Wheelahan L and Moodie G (2011) *The quality of teaching in VET: final report and recommendations*, RMIT University and LH Martin Institute. https://melbourne-cshe.unimelb.edu.au/data/assets/pdf_file/0008/2554973/quality_vetteaching_final_report1.pdf

- Advocate for integrating VET provider categories into a comprehensive framework for all tertiary education providers, thereby reducing compliance and regulatory overlap for providers delivering both VET and higher education.
- Through FutureSkills Victoria, align quality improvement strategies with intervention in cases of identified risk.

What this involves and what we heard

Time and again, the Review heard sector leaders say that the regulatory burden on the VET sector is stifling innovation. The clampdown that was necessary to address the proliferation of low-quality provision under market-driven reforms is now strangling providers who are committed to serving their students. The same regulatory oversight and reporting requirements are applied to trusted and unproven providers alike.

VET providers are diverse in size, type, maturity and breadth of provision, and in the cohorts of learners they serve.⁶²⁶ Focus Growth and Mentoring (FGM), a small private RTO in regional Victoria, explained how a one-size-fits-all approach does not work:

We are always lumped in with every other VET provider and forced to adopt and implement the full [compliance] systems even though many of them are not applicable to our company. This is the Red Tape we talk about [which takes] our eye off the core business of providing quality training experiences.⁶²⁷

Other submissions proposed differentiating providers for regulatory purposes by grouping providers by training area,⁶²⁸ applying a quality rating,⁶²⁹ or incorporating an earned autonomy approach into quality assurance.⁶³⁰

This Review focuses on the earned autonomy approach, and differentiation of VET regulation based on the quality of provision. While other forms of differentiation may benefit small or niche VET providers, regulatory oversight based on quality has the greatest potential to unleash continuous improvement. A change to this approach would not only be efficient, but it would also lift sector performance.

Application of lighter regulatory approaches for trusted, quality providers, an element of performance- or risk-based regulation, is recognised as regulatory best practice.⁶³¹ The 2017

⁶²⁶ DET Administrative Data (unpublished).

⁶²⁷ Submission 107 FGM Consultants.

⁶²⁸ Submission 022 AMES Australia.

⁶²⁹ Submission 024 Ringwood Training.

⁶³⁰ Submission 048 WAI.

⁶³¹ _____ (2007) *Best Practice Regulation: a Guide for Ministerial Councils and National Standard Setting Bodies*, Council of Australian Governments. https://www.pmc.gov.au/sites/default/files/publications/COAG_best_practice_guide_2007.pdf



national review of VET regulation recommended a performance-based approach,⁶³² and national regulator ASQA has signalled a shift in this direction as part of its current organisational reforms.⁶³³ This presents an opportunity for Victoria to lead national advocacy towards a better VET regulatory system.

Victorian VET providers are already differentiated to some extent. The 2015 Mackenzie Review recommended a provider classification system to regulate access to government funding, incentivise continuous improvement by providers, and offer improved information about a provider's capability.⁶³⁴ The tiered system of contracting for providers under Skills First represents DET's response to the Mackenzie Review's recommendation, using measures of performance and capability to determine the extent to which providers can access Victorian students.

Advocate for provider categories at national level

This Review, going further than the Mackenzie Review, recommends that the Victorian Government advocate for formal provider categories in national VET regulation. Provider categories would eliminate the one-size-fits-all approach to regulation, compliance and reporting. Categorisation would reward the efforts of proven and trusted providers by reducing their audit and regulatory burden while also holding them responsible – as leading providers – for demonstrating best practice.

Because ASQA regulates nearly four out of five RTOs operating in Victoria, including all TAFEs, dual-sector universities, and the country's largest private providers who operate in Victoria, a shift towards outcomes-based regulation will require collaboration at the national level. A 2018 South Australian review described the limitations of the national approach:

The regulatory model has been designed to catch poor behaviour after market entry rather than establishing a regulatory regime based on entry through genuine educational quality. This has left quality providers, whether public, private or community-owned, subject to a regulatory model that does not support or reward quality delivery.⁶³⁵

ASQA has since shown movement towards its stated goal of becoming a 'leading practice regulator'.⁶³⁶ For example, it considers providers' compliance record during the risk assessment process and offers providers some latitude to amend their scope. Yet as the submissions to and consultations for this Review have shown, the national regulatory framework continues to prevent

⁶³² Braithwaite V (2018) *All eyes on quality: review of the National Vocational Education and Training Regulator Act 2011* [Braithwaite review], Australian Government Canberra. <https://www.employment.gov.au/review-national-vocational-education-and-training-regulator-act-2011>

⁶³³ Consultation with ASQA (April 2020).

⁶³⁴ Mackenzie B and Coulson N (2015) *VET Funding Review Final Report*, Department of Education and Training, Victoria. https://www.education.vic.gov.au/Documents/about/department/VET_Funding_Review.pdf

⁶³⁵ Moran T and Bannikoff K (2018) *TAFE SA Strategic Capability Review*.

⁶³⁶ ____ (2020) *National Agreement for Skills and Workforce Development Review – Interim Report*, Productivity Commission, Canberra. <https://www.pc.gov.au/inquiries/current/skills-workforce-agreement/interim/skills-workforce-agreement-interim.pdf>

some of Victoria's best providers from meeting the needs of students, employers and communities. Victoria must find a way to release this handbrake on VET innovation.

The path towards establishing provider categories could be modelled on the higher education sector. Higher Education Provider Category Standards (PCS) describe the different types of providers, and the requirements for registration by the Tertiary Education Quality and Standards Agency. While many people see 'higher education' and 'universities' as synonymous, universities in fact form a minority of Victoria's higher education providers – only 10 of 34 operating in 2020.⁶³⁷ The PCS differentiate universities from other higher education providers, including TAFEs delivering higher education, faith-based colleges, online providers and others.⁶³⁸

The 2019 Coaldrake Review responded to frustrated calls from higher education providers that they were a diverse group deserving a more nuanced approach by recommending further differentiation within the Higher Education Provider category. The new category – named 'University College' by the Australian Government⁶³⁹ – will be reserved for the highest-performing non-university higher education providers and allow some measure of self-accrediting status.⁶⁴⁰ A high threshold for entry into the category will ensure it is valued and respected.

The proposed requirements for becoming a University College align well with the recognised characteristics of VET sector leaders. They include: superior student outcomes; mature processes for course design; quality assurance and maintenance of academic integrity; systemic for support for scholarship; depth of academic leadership; good practices for teaching and learning that can be shared with the sector; and genuine engagement with employers, industry and/or the professions to inform teaching and learning.⁶⁴¹

This alignment suggests that leading VET providers offering higher education may gain access to this category. It also suggests the model could be extended over time to a broader set of VET categories. A seamless set of categories from VET to higher education would especially benefit providers delivering both VET and higher education courses, enabling them to operate under a single layer of performance-based regulation.

VET categories could also potentially include further opportunities for self-accreditation.⁶⁴² Many leading Victorian VET providers are keen to be able to self-accredit courses, which they say could significantly improve the sector's flexibility and responsiveness:

⁶³⁷ DET Administrative Data (unpublished).

⁶³⁸ Coaldrake P (2019) *What's in a Name? Review of the Higher Education Provider Category Standards – Final Report* [Coaldrake Review]. https://docs.education.gov.au/system/files/doc/other/final_report_-_review_of_the_higher_education_provider_category_standards_no_alt_text_0.pdf

⁶³⁹ Australian Government Response to the Coaldrake Review (2019). https://docs.education.gov.au/system/files/doc/other/government_response_-_higher_education_provider_category_standards_review.pdf

⁶⁴⁰ Coaldrake (n 652).

⁶⁴¹ Ibid.

⁶⁴² Schubert R, Goedegebuure L and Meek L (2018) *Revisioning the system: A critical analysis and the way forward*, University of Melbourne. https://melbourne-cshe.unimelb.edu.au/_data/assets/pdf_file/0007/2845780/Revisioning-the-system-310718-Final-004.pdf



The ability to self-accredit qualifications, funded and co-designed with industry, could be explored as a potential alternative to make VET more responsive.⁶⁴³

Self-accreditation could be applied first to courses that meet identified skill requirements for industry, or adaptations of training packages for local communities. FutureSkills Labs would be more agile if their VET provider partners were able to obtain self-accrediting status.

The Mackenzie Research Institute also proposed the establishment of University Colleges in Victoria. It argued for new, prestigious cross-sectoral institutions that would act as a hub-and-spoke model for other public and private institutions.⁶⁴⁴ While the Mackenzie proposal differs conceptually from the national University Colleges proposal, the Review sees a natural connection between national regulatory reform and the emergence of dynamic, state-level institutions to meet identified demand.

Connect national regulatory reform to Victorian VET sector architecture

Shifts in national regulatory processes also have consequences for Victorian VET policy. State-level policies that might change as the result of national provider categories include:

- **Referral of regulation** – Victoria is one of only two states that retains its own separate regulator for VET providers operating wholly in Victoria (the VRQA). If ASQA adopts best-practice regulation through a provider categories approach, Victoria might consider referring its regulatory powers and streamlining VET regulation.
- **Performance monitoring** – as outlined above, provider categories are determined by performance against designated outcomes. As Victoria develops a clearer set of measures for skills sector performance – reflecting the FutureSkills Victoria mission of relevance, quality and equity – these measures could be used as thresholds to enable providers to move to higher categories.
- **Visibility** – provider categories could provide a clear signal of quality and reliability. While trusted VET providers in Victoria already carry the Skills First badge, this marker is not widely used to identify quality provision. A national system of provider categories may offer a better lever for State Governments to recognise excellence and leadership.
- **Funding** – while higher education PCS are not directly linked to funding, the VET sector could explore this possibility, either through core or targeted innovation funding.

Intensify effort to address low-quality provision, including sanctions and support

The focus on excellence in the VET sector must be buttressed by regulatory vigilance towards the lower end of the market. While most stakeholders who spoke to the Review believed that Victoria had eradicated the lowest-quality VET providers, a few pointed to continuing cases of low provider

⁶⁴³ Submission 106 GO TAFE.

⁶⁴⁴ Submission 015 Mackenzie Research Institute (Part 1).

quality. A further benefit of differentiated regulation would be to enable regulators to focus on providers who do not meet student, employer and community expectations.

Regulatory burden could also be reduced by allowing a lower number of VET providers to enter the training market. The collaborative provision planning advocated in this report (see 2.1 and 2.2) will go some way towards reducing the number of providers in the sector, but higher thresholds for entry may also be required. Further development of VET provider categories over time could include a category for new, untested providers that do not clearly contribute to the key outcomes of relevance, quality or equity. These providers may be charged additional fees for regulation, but in return be invited to move to a higher category once they can demonstrate their value to students and employers.

A final benefit of provider categories could be to formalise the relationships between expert and novice providers that categorise a learning system. While providers in the highest VET category would be accountable for demonstrating sector leadership, those in the lower categories (especially in any new entry-level category) could be targeted for support. This support could include coaching of low-performing providers, especially where they serve a valuable purpose for specific cohorts or areas. Under FutureSkills Victoria's leadership, responsibility for quality would not fall on any single provider but be shared across the sector.

Recommendation 6.8 – Develop a continuous improvement framework and culture

The Victorian Government should:

- Through FutureSkills Victoria, develop a culture of continuous improvement and provider self-assessment by:
 - developing a Continuous Improvement Framework (CIF) for VET providers, including by validating the CIF with industry and diverse providers, and ensuring they align with FutureSkills Victoria's system-wide monitoring
 - requiring FutureSkills Insights to create an interactive portal where providers can access their performance data across CIF indicators
 - encouraging providers to undertake self-assessment against the CIF, with a view to making it a condition of VET purchasing in the longer term.

What this involves and what we heard

Sustained innovation occurs when providers take responsibility for their own continuous improvement and use data to identify priorities to get better at what they do. This way of thinking constitutes a complete reversal of the current regulatory approach of VET:



[The Government's current] approach is based on 'what's not working', looking for non-compliances rather than looking for what is working and applying these successes across the sector.⁶⁴⁵

Paradoxically, regulators themselves are eager for providers to engage in more self-assessment, as evidenced by advice received from ASQA by this Review:

Despite the focus of legislation on the concept of quality assurance and self-assurance by providers, this has not been a strong feature of the regulation of the VET sector to date. Many providers seek detailed guidance from ASQA about how to meet ASQA's expectations at audit, rather than seeking to embed strong systems of internal controls, such that they are satisfied they are meeting the Standards.⁶⁴⁶

The Review believes that this is symptomatic of the complicated relationship between governments and the VET sector that has motivated many of the recommendations in this report. Overall, providers see governments as authoritative and compliance-focused, and orient their practice towards meeting perceived government requirements.

This Review is optimistic that the relationship can change. During the pandemic, the skills sector has shown that it has Victorians' best interests at heart, and providers have stepped up to achieve a rapid transformation while sustaining quality as best they can. There are no precedents for compliance monitoring during a pandemic, so there has been a need for higher levels of trust between providers and Government. Government has also stepped readily into an 'enabler' role, providing support to keep the skills sector going.

It seems possible – and highly desirable – that aspects of this changed relationship can be sustained beyond the pandemic. The Government has seen that providers can innovate without letting go of their commitment to quality. Providers have also shown capacity for internal monitoring systems, and communities of practice. The Review heard of lively conversations occurring within teaching teams about making the 'new normal' work.

Development of an outcomes framework has been recommended as a mechanism for lifting quality.⁶⁴⁷ Victoria is well placed to create a CIF because of its robust VET data infrastructure, which includes performance measures not collected in other jurisdictions.⁶⁴⁸ Research has found that performance indicators – while challenging – are likely to be beneficial for driving improvement in Victoria's diverse VET sector.⁶⁴⁹

The proposed CIF should be aligned with the FutureSkills Victoria objectives: to deliver relevance, quality and equity.

⁶⁴⁵ Submission 106 (GO TAFE).

⁶⁴⁶ ASQA (unpublished).

⁶⁴⁷ DET Administrative Data (unpublished).

⁶⁴⁸ DET Administrative Data (unpublished).

⁶⁴⁹ DET administrative data (unpublished)



The Review supports the development of a CIF, as a valuable tool for VET providers and policymakers to monitor system performance. It nevertheless sees risks in the adoption of a CIF, if it is not done in a way that meaningfully engages with the sector.

Validate the Continuous Improvement Framework and align with system goals

The impact of the proposed CIF will depend on how it is used. Performance indicators are most useful when they are ‘owned’ by those who are responsible for achieving them, rather than seen as compliance measures imposed from outside. The Review heard support among some providers for a VET outcomes framework, to clarify their accountabilities to Government.⁶⁵⁰ However, even if the CIF idea is agreed to in principle, the measures themselves must still be seen as valid by those who will use them.

Defining outcomes for VET is not a simple task, given the diversity among providers and students,⁶⁵¹ and the many other regulatory instruments that govern the sector.⁶⁵² Work needs to be done to create a performance framework that can be owned by users across the sector.

The task of testing performance measures with key stakeholders is known as *validation*. Validation of performance measures can use many different methods, some focused on the technical aspects of measurement, and others on the practical question of whether the measures are ‘fit for purpose’. *Consequential* validation focuses on what is likely to happen as a result of measurement, including any unforeseen adverse consequences.⁶⁵³

Validation of the proposed CIF presents an opportunity for the Victorian Government to demonstrate trust and respect for the VET sector, by asking as many providers as possible whether the CIF reflects their own ideas of VET quality, and whether they think it will be useful (or harmful). A systematic process of consultation and research – led by FutureSkills Insights – would also raise awareness of the CIF in the sector and kick off valuable conversations about quality. It would also establish channels of communication for refining the CIF over time, as part of ongoing dialogue about what quality involves.

Other stakeholders could also be involved in CIF validation. Of the performance indicators already collected by DET, the Review heard that those measuring *relevance* are considered to be the weakest.⁶⁵⁴ Yet prior research has found that VET stakeholders value these measures most highly and that stakeholder groups place significant importance on employment outcomes.⁶⁵⁵

Through FutureSkills Victoria, industry and community stakeholders could join the conversation about quality provide advice on whether the CIF measures reflect what industry and community

⁶⁵⁰ Submission 020 BKI.

⁶⁵¹ Lee WS and Polidano C (2010) *Measuring the quality of vocational education and training using the Student Outcomes Survey*, prepared by the Melbourne Institute of Applied Economic and Social Research for NCVER.

⁶⁵² https://www.ncver.edu.au/_data/assets/file/0023/9707/measuring-the-quality-of-vet-2327.pdf

⁶⁵³ <https://www.asqa.gov.au/about/asqa/key-legislation/vet-quality-framework>

⁶⁵⁴ https://research.acer.edu.au/cgi/viewcontent.cgi?article=1014&context=teaching_standards

⁶⁵⁵ Mackenzie Research Institute Skills for Victoria’s Growing Economy Submission, Submission 110 Young Workers Centre, Submission 003 John Fischer.

⁶⁵⁵ DET Administrative Data (unpublished).

expect. Again, the conversations themselves would be valuable in refining the skills sector’s shared mission, and in clarifying the distinctive value of what VET delivers.

Encourage providers to undertake regular self-assessment and quality improvement

Performance measures are useful when they drive innovation. The goal for the Victorian Government should be to enable VET providers to embrace a focus on quality,⁶⁵⁶ based on a shared language about quality and clear performance expectations.⁶⁵⁷ As AMES noted, ‘providers having the capacity to engage in regular evidence-based continuous improvement could be transformative for the sector,’ if adequately resourced.⁶⁵⁸

Research explains how VET outcomes data can drive a culture of continuous improvement:

The key to success is close monitoring of, and targeted support for, each factor’s set of indicators. The aim is continual practice improvement, and simultaneously extending organisational capability and capacity.⁶⁵⁹

The Review heard that some VET providers already engage in self-assessment to drive continuous improvement.⁶⁶⁰ For example, BestChance has reportedly developed its own self-assessment and planning process, based on the regulatory model applied to their early childhood programs.⁶⁶¹ BestChance suggested that the Victorian Government could design a self-assessment template – or commission a provider to design one to share – to guide providers in collecting evidence against the self-assessment process. The Review sees potential for the proposed CIF to encourage VET providers to take responsibility for monitoring quality and devising strategies for improvement. However, there is also danger that the CIF may be seen as adding to the compliance burden, deterring providers from engaging with it in an open, reflective, innovative frame of mind. The Review does not recommend *requiring* self-assessment against the CIF until its usefulness has been proven.

There is also a need to look beyond the numbers, at holistic measures of performance. The first chapter of this report discussed the outcomes that the VET sector will collectively strive to pursue under FutureSkills Victoria: relevance, quality and equity. It also advised that these outcomes should not be measured through ‘counting’ alone, but through dialogue and reflection about how outcomes were being delivered. This same principle should apply to provider self-assessments. FutureSkills Victoria will model a collaborative approach to performance assessment that can be replicated by providers. By discussing quality with colleagues, industry, communities and students, a shared future vision will emerge.

⁶⁵⁶ NCVER, *Understanding Quality in the VET Sector* (2017).

⁶⁵⁷ Stevens and Deschepper (n 594).

⁶⁵⁸ Submission 022 AMES Australia.

⁶⁵⁹ Stevens and Deschepper (n 594).

⁶⁶⁰ *Ibid.*

⁶⁶¹ Consultation with BestChance (June 2020).



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Secretariat

Dr Jen Jackson
Amy Barry-Macaulay
Jenny Mitchell
Sophia Agneskis
Alistair Webster
Serey Thir
Despina Metaxas
Dr Terry Bowditch

MSDI

Professor Rod Glover
Dr Lara Werbeloff
James Button
Alejandra Mendoza
Naomi Ockerse

89 Degrees East

Annie O'Rourke
Chris Black
Lauren Martyn-Jones
Lainie McMinn
Peta Stamell

Glossary of abbreviations and terms used in this report

ACCO	<i>Aboriginal Community Controlled Organisation</i>
ACER	<i>Australian Council for Educational Research</i>
ACFE	<i>Adult community and further education</i>
AEN	<i>Apprenticeship Employment Network</i>
AISC	<i>Australian Industry Skills Committee</i>
AMCA	<i>Air Conditioning and Mechanical Contractors' Association</i>
AQF	<i>Australian Qualifications Framework</i>
AQF Review	<i>The 2019 Review of the Australian Qualifications Framework chaired by Professor Peter Noonan and commissioned by the Commonwealth Government and the Council of Australian Governments Education and Industry and Skills Councils.</i>
Applied research	<i>A type of research design that seeks to solve a specific, practical problem and/or provide innovative solutions.</i>
Articulation	<i>Progress from a completed qualification to another with admission and/or credit in a defined pathway.</i>
ASO	<i>Apprenticeship Support Officer</i>
ASQA	<i>Australian Skills Quality Authority</i>
Big Build	<i>Victoria's significant transport construction program of current and planned major road and rail projects.</i>
BKI	<i>Bendigo Kangan Institute</i>
BSL	<i>Brotherhood of St Laurence</i>
CALD	<i>Culturally and Linguistically Diverse</i>
Care economy	<i>Comprises the breadth of health and social services, including hospitals, early childhood education and care, community health services, social work, aged care and disability support.</i>
Centre of Excellence	<i>Brings together customised, hands-on, best practice training, research and development in one precinct/centre. Often established with close links to industry.</i>
CGEA	<i>Certificate in General Education for Adults</i>

CIF	<i>A Continuous Improvement Framework for Skills First providers proposed by this Review.</i>
Clean economy	<i>Sectors with the capacity to take action to address climate change, reduce waste and improve use and re-use of material and resources, such as energy, land use, transport, industry, construction and buildings management, and food and agriculture.</i>
CMM	<i>Curriculum Maintenance Manager</i>
Coaldrake Review	<i>The 2019 review of the Higher Education Provider Category Standards, commissioned by the Australian Government and led by Emeritus Professor Peter Coaldrake AO, resulting in the report 'What's in a Name? Review of the Higher Education Provider Category Standards'.</i>
Commercial Guidelines	<i>The set of principles and processes for the development and conduct of commercial activities by TAFEs, as issued pursuant to section 5.2.1(2)(b) of the Education and Training Reform Act 2006.</i>
Credit recognition	<i>Recognition of previously completed studies, which may allow for entry into a qualification and/or provide credit towards the qualification.</i>
CSOs	<i>Community Service Obligations</i>
DET	<i>Department of Education and Training (Victoria)</i>
Digital economy	<i>Centrally the ICT and cybersecurity sector, but also includes the digitisation of businesses and services more broadly in the economy and society.</i>
Digital Economy Skills Plan	<i>A plan proposed by this Review to drive evidence-informed skills development for the digital economy.</i>
Digital Jobs and Skills Strategy	<i>A whole-of-government strategy proposed by this Review to push the frontiers of the development and utilisation of digital skills and grow Victoria's digital economy.</i>
Dual sector university	<i>Universities that have legislative mandates and obligations to meet community and industry needs across both higher education and VET.</i>
EAL	<i>English as an Additional Language</i>
Expanded SJs	<i>An expanded model for Skills and Jobs Centres proposed by this Review, within FutureSkills Victoria.</i>

Foundation skills courses / training	<i>A combination of language, literacy and numeracy skills (e.g. listening, reading, speaking, writing, digital literacy, mathematics) and employability skills (e.g. collaboration, problem solving, self-management, learning, information and communication technology) that are included in VET courses and units of competency. Includes both accredited and pre-accredited training.</i>
Free TAFE	<i>The Victorian Government program that covers tuition fees for priority courses for students who are eligible for government-subsidised training. There may still be some costs, such as student services fees or material fees, under Free TAFE.</i>
Funded Course List	<i>Outlines all vocational education and training courses that are subsidised for Victorian students.</i>
FutureSkills Victoria Board	<i>A governance body proposed by this Review to lead FutureSkills Victoria.</i>
FutureSkills Innovation Fund	<i>An investment vehicle proposed by this Review to provide ongoing access to a pool of stimulus investment for providers, industry and communities to work together on innovation projects.</i>
FutureSkills Insights	<i>A data collection and analytics platform proposed by this Review.</i>
FutureSkills Labs	<i>Models for collaboration and innovation in priority sectors proposed by this Review.</i>
FutureSkills Victoria	<i>A new sector-wide leadership body proposed by this Review.</i>
FYA	<i>Foundation for Young Australians</i>
GTO	<i>Group Training Organisation</i>
Higher apprenticeship	<i>Employment arrangements that combine work with formal training leading to a qualification that is subsidised or fully paid by the employer. They can vary in length, and are usually understood to be at a higher level than traditional apprenticeships (including higher level VET qualifications and also Bachelor degrees). Also called degree apprenticeships or cadetships.</i>
ILMP	<i>Intermediate Labour Market Program</i>
Industry 4.0	<i>Refers to the rapid technological change that is disrupting businesses across all industries as a result of advances in communication technologies, devices connected to the internet, and data analytics.</i>
Internship/cadetship	<i>Often refers to degree-level training models which combine employment and formal study. May also refer to new models</i>

	<i>which combine entry-level jobs with skills training, outside of formal apprenticeships/traineeships, e.g. for cybersecurity.</i>
James Inquiry	<i>The 2018-20 Inquiry into the Victorian On-Demand Workforce, commissioned by the Victorian Treasurer and led by former Fair Work Ombudsman, Natalie James.</i>
Jobactive	<i>The Commonwealth Government's employment services program for job seekers and employers.</i>
JobTrainer	<i>The JobTrainer Fund is the Commonwealth Government's COVID-related economic response to deliver access to free, or low cost, training places in areas of identified skills needs, in partnership with the states and territories. The wider JobTrainer package also includes the Supporting Apprentices and Trainees wage subsidy.</i>
Joyce Review	<i>The 2018/19 review of Australia's VET sector, commissioned by the Australian Government and led by the Hon Steven Joyce, resulting in the report 'Strengthening Skills: Expert Review of Australia's Vocational Education and Training System'.</i>
JVEN	<i>Jobs Victoria Employment Network</i>
Kirby Review	<i>The 2000 Ministerial Review of Post Compulsory Education and Training Pathways in Victoria, commissioned by the Victorian Government and led by Peter Kirby.</i>
KLO	<i>Koorie Liaison Officer</i>
Koorie Skills Plan	<i>A plan proposed by this Review to support skills development for Koorie learners, businesses and communities, reflecting Victoria's commitment to Treaty.</i>
Learner Profile	<i>A digital tool proposed by this Review to enable learners to recognise and record skills gained across all forms of learning and work, and match their skills and interests to study and employment options.</i>
LLA	<i>Lifelong Learning Account</i>
LLEN	<i>Local Learning and Employment Network</i>
LLN	<i>Language, Literacy and Numeracy</i>
LMS	<i>Learning Management System</i>
Mackenzie Review	<i>The 2015 review of VET funding in Victoria, commissioned by the Victorian Government and led by Bruce Mackenzie and Neil Coulson, resulting in the 'VET Funding Review: Final Report'.</i>
MEA	<i>Multi-Enterprise Agreement</i>

Microcredential	<i>Sometimes used interchangeably with shorter form qualifications, part-qualifications, short courses, digital badges, micro-certifications, web badges, and skillsets – all of which provide smaller elements or blocks of learning in a specific topic area.</i>
NCVER	<i>National Centre for Vocational Education and Research</i>
NDIS	<i>National Disability Insurance Scheme</i>
NEET	<i>Not in Employment, Education or Training</i>
NTG	<i>National Training Guarantee</i>
NZIST	<i>New Zealand Institute of Skills and Technology</i>
OVSC	<i>Office of the Victorian Skills Commissioner</i>
PCS	<i>Higher Education Provider Category Standards</i>
PICAC	<i>Plumbing Industry Climate Action Centre</i>
PRA	<i>Principal Regional Advisor</i>
Professional learning	<i>Activities that develop and/or maintain an individual's skills, knowledge, expertise and other characteristics (such as industry currency), in this case, as a VET teacher. Also known as professional development (PD), continuing professional development (CPD) and ongoing professional development (OPD).</i>
RPL	<i>Recognition of Prior Learning</i>
RSTF	<i>Regional and Specialist Training Fund</i>
RTA	<i>Regional TAFE Alliance</i>
RTO	<i>Registered Training Organisation</i>
Shergold Review	<i>The 2020 review of senior secondary pathways, commissioned by the Council of Australian Governments Education Council and led by Professor Peter Shergold AC, resulting in the report 'Looking to the Future: Report of the Review of senior secondary pathways into work, further education and training'.</i>
SJCs	<i>Skills and Jobs Centres</i>
Skills cluster	<i>Skills and competencies grouped together into combinations which have meaning and purpose related to work functions and needs in an industry, and which are often portable across jobs in that industry or related industries.</i>

Skills First	<i>A set of reforms for the training and TAFE sector in Victoria, introduced in 2017.</i>
Skills First providers	<i>RTOs (including TAFEs and dual sector universities) contracted by the Victorian Government to deliver government-subsidised training.</i>
SWL	<i>Structured Workplace Learning</i>
TACSI	<i>The Australian Centre for Social Innovation</i>
TAE	<i>Certificate IV in Training and Assessment</i>
TAFE	<i>Technical and Further Education institute</i>
Teachers/VET teachers	<i>Qualified educators who engage in the delivery of training and assessment in VET, either in an education or training institution, or at the workplace. Depending on contexts and regulations, VET teachers may also be referred to as trainers, VET practitioners, facilitators, educators, instructors, trade teachers, or lecturers.</i>
VCOSS	<i>Victorian Council of Social Service</i>
VDC	<i>VET Development Centre</i>
VAEAI	<i>Victorian Aboriginal Education Association Inc</i>
VET	<i>Vocational education and training</i>
Victorian Renewable Energy Target	<p><i>The Renewable Energy (Jobs and Investment) Act 2017 sets out Victoria's renewable energy targets as follows:</i></p> <ul style="list-style-type: none"> • <i>By 2020, 25 percent of Victoria's electricity will come from clean renewable energy;</i> • <i>By 2025, 40 percent of Victoria's electricity will come from clean renewable energy; and</i> • <i>By 2030, 50 percent of Victoria's electricity will come from clean renewable energy.</i>
Victorian Skills Plan	<i>An annual assessment of the skills needs and provision profile of the state, and of particular industries and regions, proposed by this Review.</i>
VRQA	<i>Victorian Registration and Qualifications Authority</i>
VTA	<i>Victorian TAFE Association</i>
WTIF	<i>Workforce Training Innovation Fund</i>

Appendix 1: Terms of Reference

The Schedule to Ministerial Order No. 1262 set out the Terms of Reference for the Review as per the below.

Purpose and objectives

The purpose of the Review is to make recommendations to ensure Victoria has a quality vocational education and training (VET) system ready to equip Victorians with the skills they need for current and future jobs, with strong connections and pathways between VET and Higher Education as well as schooling.

Scope of the Review

The Review will examine and make recommendations on the following:

- 1. What are the education and training needs for jobs in Victoria over the next ten years?*
- 2. What reforms are required to meet the skills and capability needs of industry and employers, government and the community over the next decade?*
- 3. What reforms are required to build industry investment in skills and workforce development, including apprenticeships and traineeships?*
- 4. What reforms are required to improve access to Higher Education and VET for students that are entering the workforce, and those seeking to reskill or upskill later in life, no matter their background?*
- 5. What reforms are required to ensure relevant, high quality teaching and VET courses that produce job-ready graduates at all stages of their career?*
- 6. What reforms are required to improve pathways, and connections, between TAFE and other VET providers, adult and community education providers, universities and other non-university higher education providers, schools, and employers, so students can easily understand and navigate the post-secondary system and update their skills throughout their careers?*
- 7. What reforms are required to improve the funding arrangements of Victoria's VET sector?*

Appendix 2: Review process

Project methodology

On 1 November 2019, the Victorian Government announced the *Skills for Victoria's Growing Economy Review* into post-secondary education and training. The Terms of Reference are provided at Appendix 1.

The Review's first phase of work involved information gathering and development of an issues paper setting out the current challenges and opportunities facing the post-secondary education and training system. From November to February the Review held targeted stakeholder consultations, began research and data collation, and established an Expert Advisory Group comprising key sector stakeholders to provide independent advice.

On 24 March 2020, the Review released its issues paper and launched a public consultation process. Discussions and roundtables were held with stakeholders across the post-secondary education and training sector and with the broader community. Online surveys went live on Engage Victoria, and written submissions were collected.

Alongside the public consultation process, the Review undertook significant, in-depth research and analysis. Research activities included: collation and interrogation of existing data and research; commissioning of specific reports and analysis; and examination of international and local best practices. The Review also developed research briefings and reform options, which were tested with subject matter experts. This process has informed the development and refinement of recommendations in the report.

Expert Advisory Group

The Expert Advisory Group (EAG) was comprised of members representing key interest groups across the training, adult and community and higher education sectors, industry, unions, health and social services, as well as organisations whose purpose is to improve the learning outcomes and life opportunities of Aboriginal people and young Victorians. Four meetings of the EAG were held between December 2019 and September 2020. The meetings were conducted as workshops, promoting active discussion on specific themes. Members provided consistently frank and candid advice to assist the Chair in the prioritisation of key issues and the development of reforms.

EXPERT ADVISORY GROUP MEMBERS

Maria Peters, ACFE Board
Tim Piper, Australian Industry Group
Amit Singh, AlphaBeta (Accenture)
Meredith Peace, Australian Education Union
Yvonne Hewitt, Barwon Health
Shelley Mallet, Brotherhood of St Laurence
Mark Burford, Caraniche



Kelly Fawcett, Foundation for Young Australians
 Felix Pirie, ITECA
 David Bowen, The Gordon Institute of TAFE
 Mary Faraone, Holmesglen Institute
 Martin Bean, RMIT University
 Tom Bentley, RMIT University
 Lisa Line, Swinburne University of Technology
 Emma King, VCOSS
 Lionel Bamblett, VAEAI
 Katherine Ellis, Youth Affairs Council Australia

Commissioned research

To support the work of the review, expert consultants were contracted to complete targeted research in critical areas including pricing and cost of delivery, building equity into the system, and detailed skills data analysis. All research pieces were rich in detail, high-quality and integral to the Review’s final report. The Review thanks the organisations and individuals involved in preparing the commissioned research.

Summary of commissioned research (to be found at www.skillsforvictoria.com.au)

Research title	Consultant
Evidence Report – <i>Mapping Victoria’s education and training needs</i>	Centre for International Research on Education Systems (CIRES)
Evidence Report – <i>Trends in Tertiary Education in Victoria</i>	Centre for International Research on Education Systems (CIRES)
Thematic Summary and Case Studies	Brotherhood of St Laurence
Findings Briefing	Brotherhood of St Laurence
Promoting Equity in Post-Secondary Education and Training	The Australian Centre for Social Innovation (TACSI)
VET Costing, Summary Report	ACIL Allen Consulting
Funding the TAFE and Training System, Interim Report	ACIL Allen Consulting
Issues brief: pre-accredited training, Certs I & II, short form courses, and employability skills	Australian Council for Educational Research (ACER)
Victoria’s post-secondary education and training needs	AlphaBeta (Accenture)

Stakeholder meetings

The Chair held a series of meetings with stakeholders from across the education and training sector, including TAFEs and universities, industry RTOs, employer groups, researchers, unions and government officials from Victoria, the Commonwealth Government and other jurisdictions. These discussions informed the development of the issues paper and final report. A list of organisations that met with the Review is provided below.

ORGANISATIONS

Adult, Community and Further Education Board	GoTAFE
AlphaBeta	Health and Community Services Union
AMES Australia	Holmesglen Institute of TAFE
Australian Manufacturing Workers Union	Incolink
ANZSOG	Independent Education Union
Apprenticeship Employment Network	ITECA
Aust-Link Bendigo	Khan Academy
Australian Catholic University	La Trobe University
Australian Council for Educational Research	LCI Melbourne
Australian Education Union	League of Geeks
Australian Fashion Council	Mackenzie Research Institute
Australian Industry Group	Melbourne Disability Institute
Australian Institute for Teaching and School Leadership	Melbourne Polytechnic
Australian National University	Mitchell Institute
Australian Nursery and Midwifery Federation	Monash University
Australian Services Union	National Tertiary Education Union
Australian Skills Quality Authority	New Zealand Institute of Skills and Technology
Australian Workers Union	Office of the Victorian Skills Commissioner
Bendigo Kangan Institute	Oxygen College
BestChance LLEN	Plumbing Industry Climate Action Centre
Box Hill Institute	Productivity Commission
Brotherhood of St Laurence	Plumbing and Pipe Trades Employees Union
Business Council of Australia	PwC
Canberra Institute of Technology	RMIT
Caraniche	SDA
Centre for Multicultural Youth	Siemens
CFMMEU	South West TAFE
Chisholm Institute of TAFE	SuniTAFE
Clean Energy Council	Swinburne
Commonwealth Department of Social Services	TAFE Directors Australia
Community Colleges Australia	TAFE Gippsland
Deakin University	Tertiary Education Quality and Standards Agency
Electrical Trades Union	The Gordon Institute of TAFE
Ethical Clothing Australia	Universities Australia
Ethnic Communities Council of Victoria	University of Melbourne
Federation University	Vector Consulting
FGM Consultants	VET Development Centre
Foundation for Young Australians	VETASSESS
Future Energy Skills	Victorian Trades Hall Council



VICSEG New Futures
 Victoria University
 Victorian Aboriginal Education Association Inc
 Victorian Chamber of Commerce and Industry
 Victorian Curriculum and Assessment Authority

Victorian Registration and Qualifications Authority
 Victorian TAFE Association
 William Angliss Institute
 Wodonga Institute of TAFE

Students

The Review is committed to ensuring that student voices and perspectives are central to the development of system reforms and improvements. For this reason, student reflections feature widely in the report in order to highlight their choices, experiences and outcomes in education and training. The Review is grateful to the many students who participated in the regional and metro-based roundtables hosted by TAFE Gippsland and Holmesglen. The following TAFEs were represented by their students at the roundtables:

- Holmesglen
- Box Hill Institute
- Melbourne Polytechnic
- Federation TAFE
- William Angliss Institute
- TAFE Gippsland
- Bendigo Kangan Institute

A student survey was developed and published on the Engage Victoria website to coincide with the release of the Issues Paper in late March. Surveys were completed anonymously in order to encourage full and candid responses to the questions.

The Review received 341 completed surveys via Engage Victoria and commissioned a further 419 student surveys through a private agency: *Student Edge*.

Of the **760** combined student sample, 317 respondents identified as vocational education and training students (including trainees and apprentices) and 443 identified as university students. The results of that sample are illustrated in the following tables and diagrams:

Gender breakdown of survey respondents:

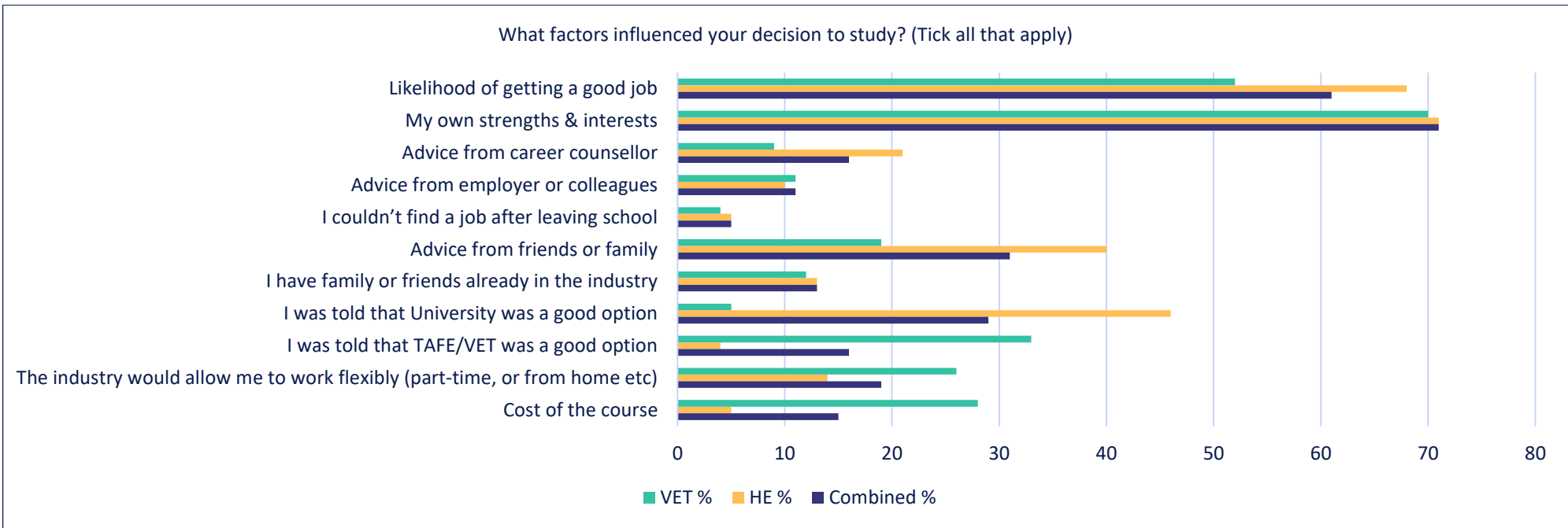
	Female	Male	Self-described
VET	233	82	2
University	296	145	2
TOTALS	529	227	4

Age breakdown of survey respondents:

	<18	18-24	25-34	35-44	45-54	55+	undisclosed
VET	28	84	64	49	54	36	2
University	49	317	57	11	7	1	1
TOTAL	77	401	121	60	61	37	3

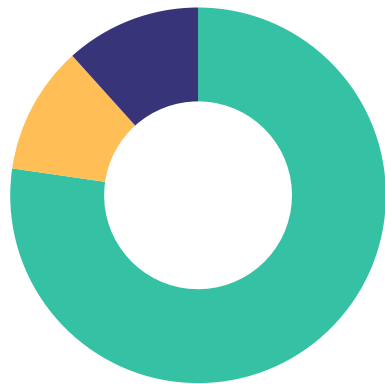


What factors influenced your decision to study? (Tick all that apply)							
	VET count	VET %	HE count	HE %	Combined count	Combined %	
Likelihood of getting a good job	164	52%	301	68%	465	61%	
My own strengths & interests	222	70%	315	71%	537	71%	
Advice from career counsellor	30	9%	92	21%	122	16%	
Advice from employer or colleagues	35	11%	46	10%	81	11%	
I couldn't find a job after leaving school	13	4%	23	5%	36	5%	
Advice from friends or family	61	19%	178	40%	239	31%	
I have family or friends already in the industry	39	12%	57	13%	96	13%	
I was told that University was a good option	16	5%	202	46%	218	29%	
I was told that TAFE/VET was a good option	105	33%	17	4%	122	16%	
The industry would allow me to work flexibly	84	26%	61	14%	145	19%	
Cost of the course	88	28%	24	5%	112	15%	



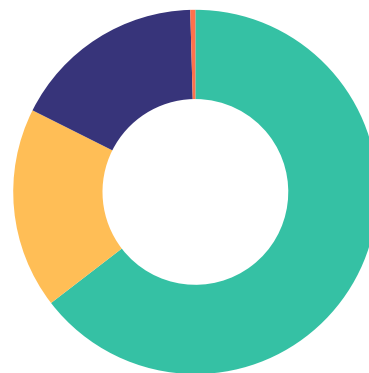
Do you feel that there was enough information available for you to make the right choice?						
	VET count	VET %	HE count	HE %	Combined count	Combined %
Yes	245	77%	286	65%	531	70%
No	35	11%	79	18%	114	15%
Unsure	37	12%	76	17%	113	15%
(Blank)	0	0%	2	0.45%	2	0.26%

Do you feel that there was enough information available for you to make the right choice?
VET %



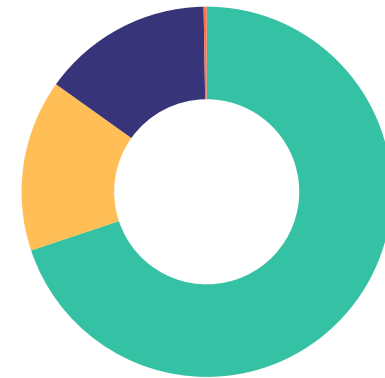
■ Yes ■ No ■ Unsure ■ (Blank)

Do you feel that there was enough information available for you to make the right choice?
HE %



■ Yes ■ No ■ Unsure ■ (Blank)

Do you feel that there was enough information available for you to make the right choice?
Combined %

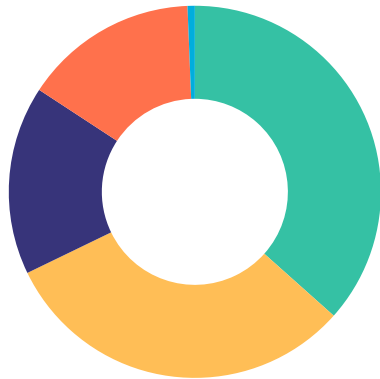


■ Yes ■ No ■ Unsure ■ (Blank)



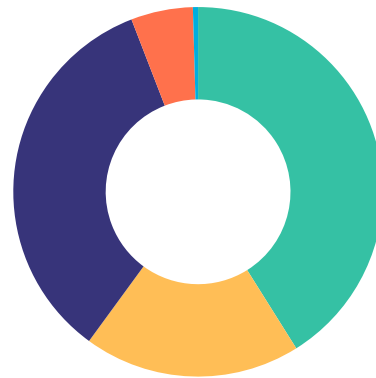
What was the main factor that influenced where you chose to study? (Choose one)						
	VET count	VET %	HE count	HE %	Combined count	Combined %
Courses Offered	116	37%	182	41%	298	39%
Location of campus	99	31%	84	19%	183	24%
Reputation	52	16%	151	34%	203	27%
Cost of the course	48	15%	24	5%	72	9%
Blank	2	0.63%	2	0.45%	4	0.53%

What was the main factor that influenced where you chose to study?
VET %



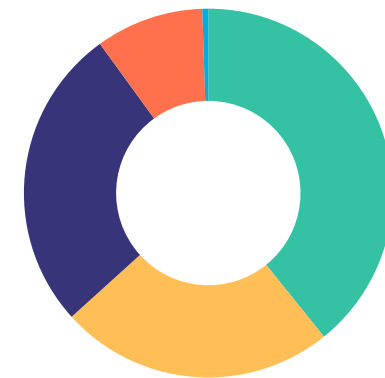
- Courses Offered
- Location of campus
- Reputation
- Cost of the course
- Blank

What was the main factor that influenced where you chose to study?
HE %



- Courses Offered
- Location of campus
- Reputation
- Cost of the course
- Blank

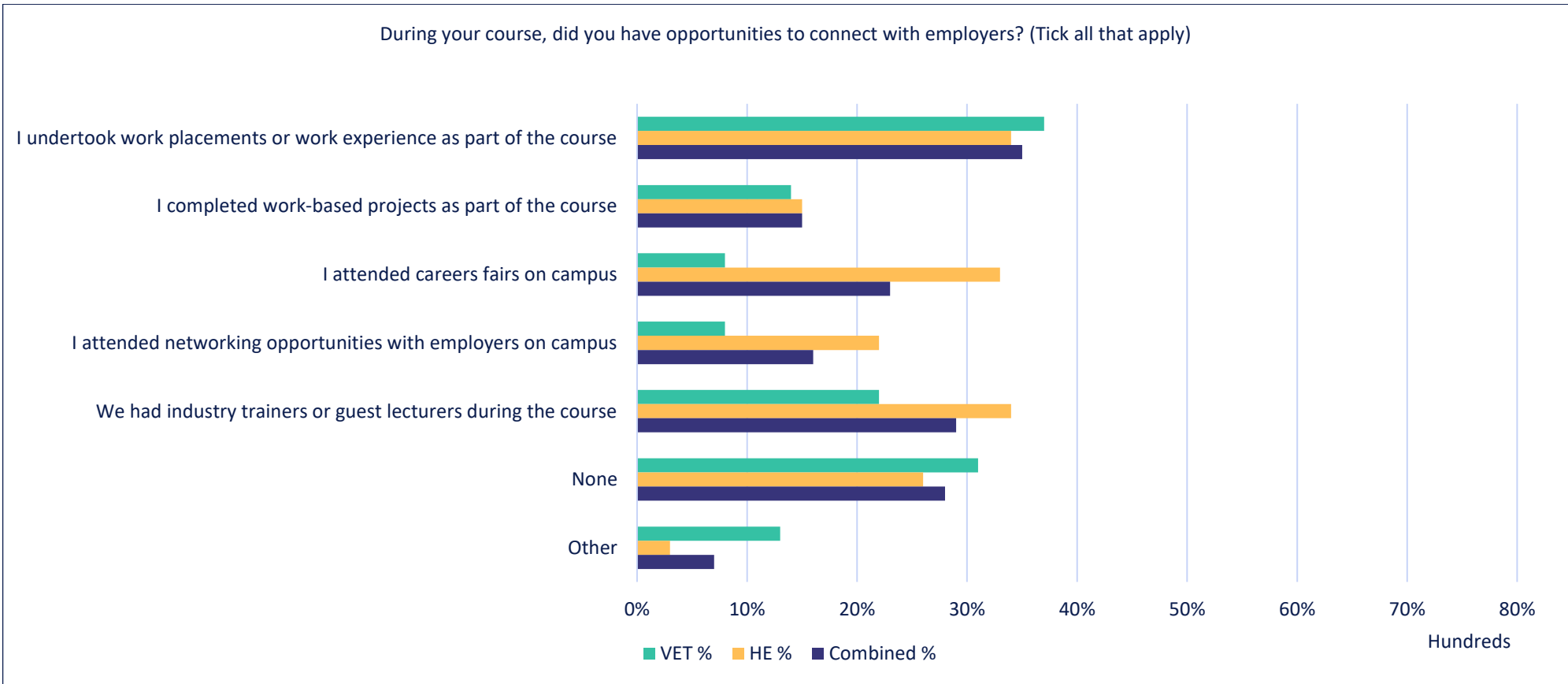
What was the main factor that influenced where you chose to study?
Combined %



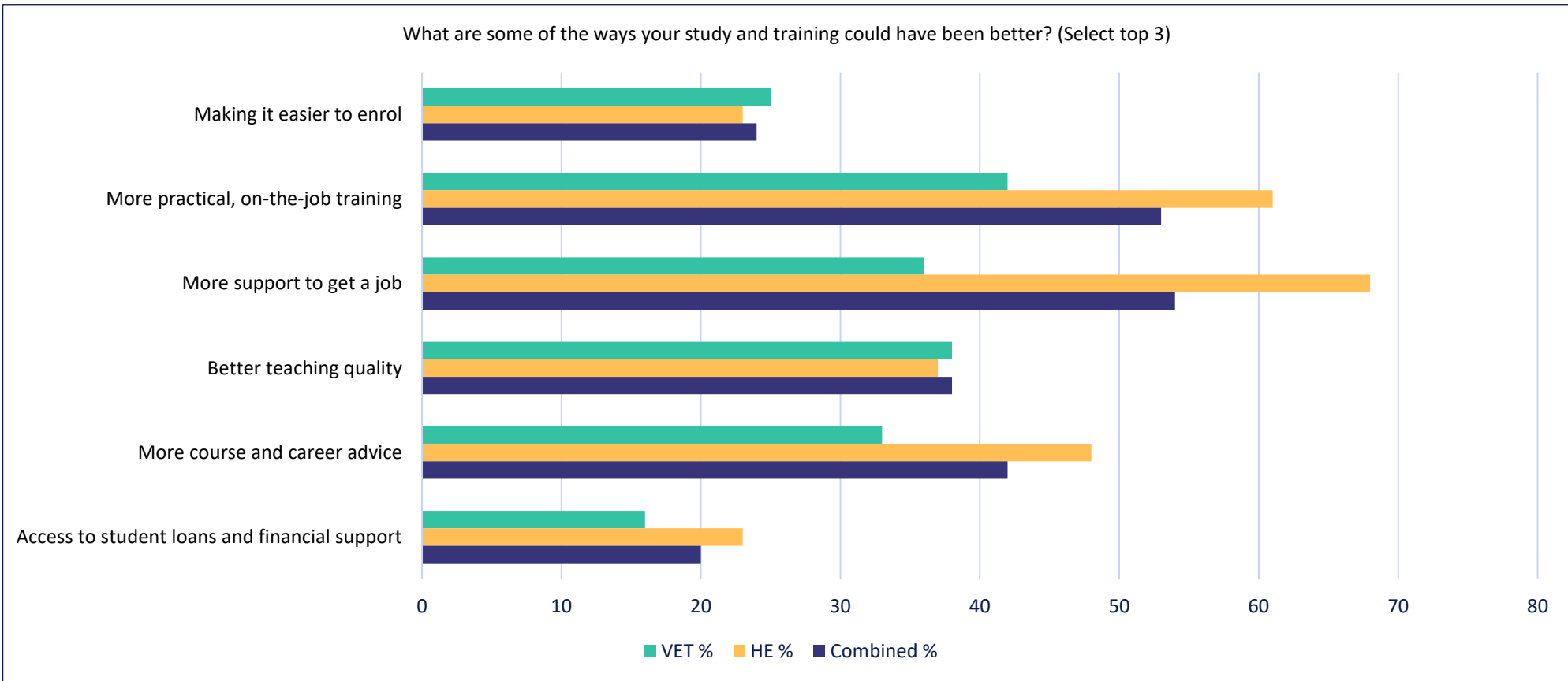
- Courses Offered
- Location of campus
- Reputation
- Cost of the course
- Blank



During your course, did you have opportunities to connect with employers? (Tick all that apply)						
	VET count	VET %	HE count	HE %	Combined count	Combined %
I undertook work placements or work experience as part of the course	117	37%	150	34%	267	35%
I completed work-based projects as part of the course	43	14%	68	15%	111	15%
I attended careers fairs on campus	26	8%	145	33%	171	23%
I attended networking opportunities with employers on campus	26	8%	96	22%	122	16%
We had industry trainers or guest lecturers during the course	69	22%	152	34%	221	29%
None	99	31%	116	26%	215	28%
Other	40	13%	13	3%	53	7%



What are some of the ways your study and training could have been better? (Select top 3)						
	VET count	VET %	HE count	HE %	Combined count	Combined %
Making it easier to enrol	80	25%	104	23%	184	24%
More practical, on-the-job training	132	42%	270	61%	402	53%
More support to get a job	113	36%	301	68%	414	54%
Better teaching quality	121	38%	166	37%	287	38%
More course and career advice	106	33%	213	48%	319	42%
Access to student loans and financial support	50	16%	104	23%	154	20%



Do you feel the course provided you (or will provide you) with the skills and practical experience you needed to get a job?						
	VET count	VET %	HE count	HE %	Combined count	Combined %
Strongly agree	53	16.72%	55	12.42%	108	14%
Agree	115	36.28%	210	47.40%	325	43%
Neutral (unsure)	104	32.81%	112	25.28%	216	28%
Disagree	18	5.68%	39	8.80%	57	8%
Strongly disagree	14	4.42%	23	5.19%	37	5%
Blank	36	11.36%	4	0.90%	40	5%

Do you feel the course provided you (or will provide you) with the skills and practical experience you needed to get a job?

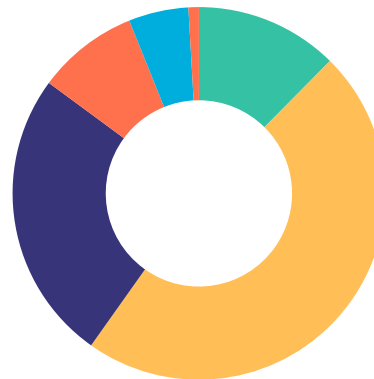
VET %



- Strongly agree
- Agree
- Neutral (unsure)
- Disagree
- Strongly disagree
- Blank

Do you feel the course provided you (or will provide you) with the skills and practical experience you needed to get a job?

HE %



- Strongly agree
- Agree
- Neutral (unsure)
- Disagree
- Strongly disagree
- Blank

Do you feel the course provided you (or will provide you) with the skills and practical experience you needed to get a job?

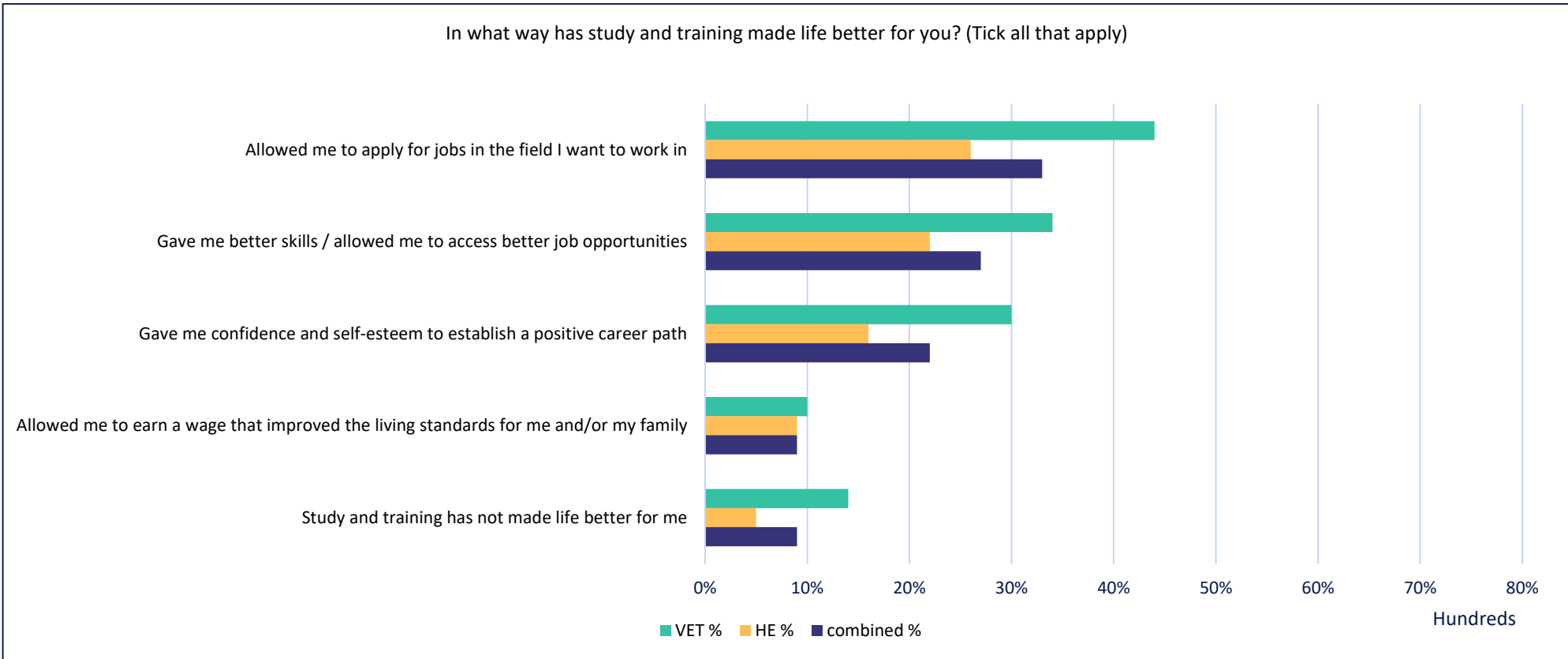
Combined %



- Strongly agree
- Agree
- Neutral (unsure)
- Disagree
- Strongly disagree
- Blank



In what way has study and training made life better for you? (Tick all that apply)						
	VET count	VET %	HE count	HE %	Combined count	Combined %
Allowed me to apply for jobs in the field I want to work in	138	43.53%	113	25.51%	251	33.03%
Gave me better skills / allowed me to access better job opportunities	107	33.75%	96	21.67%	203	26.71%
Gave me confidence and self-esteem to establish a positive career path	95	29.97%	70	15.80%	165	21.71%
Allowed me to earn a wage that improved the living standards for me and/or my family	31	9.78%	41	9.26%	72	9.47%
Study and training have not made life better for me	45	14.20%	21	4.74%	66	8.68%



Teachers

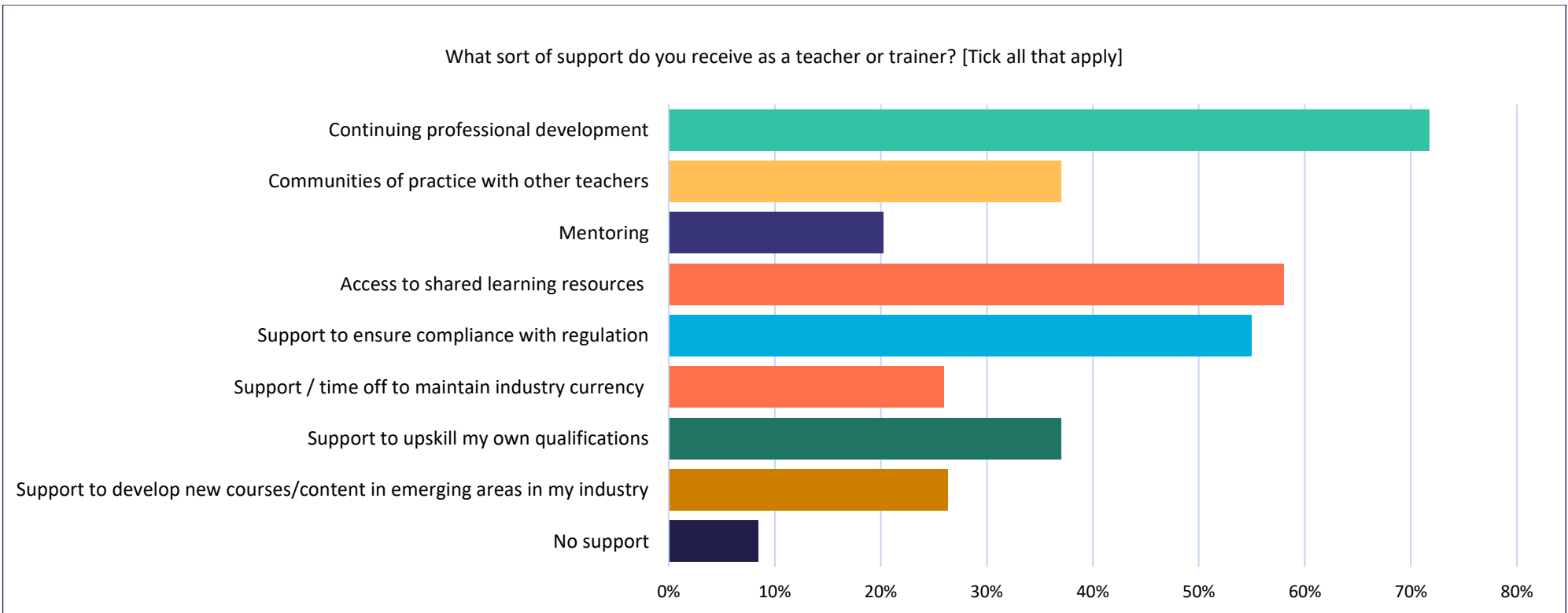
The Review was pleased to have the opportunity to engage in direct consultations with teachers and trainers through forums organised by the VET Development Centre and the Victorian TAFE Association.

A teacher survey was developed and published on the Engage Victoria website to coincide with the release of the Issues Paper in late March. Surveys were completed anonymously in order to encourage full and candid responses to the questions.

The Review received **262** completed teacher surveys via Engage Victoria. The results of that sample are illustrated in the following diagrams:

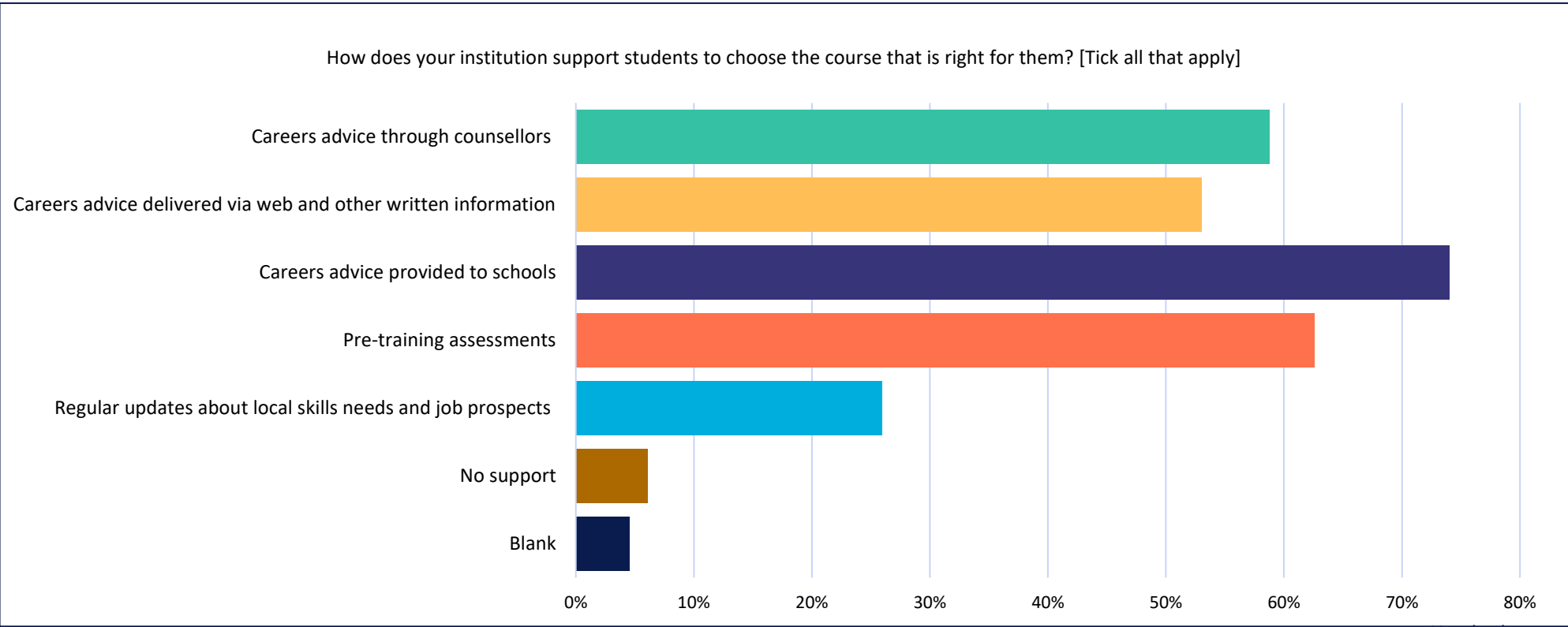
What sort of support do you receive as a teacher or trainer? [Tick all that apply]

	count	%
Continuing professional development	188	71.76%
Communities of practice with other teachers	97	37.02%
Mentoring	53	20.23%
Access to shared learning resources	152	58.02%
Support to ensure compliance with regulation	144	54.96%
Support / time off to maintain industry currency	68	25.95%
Support to upskill my own qualifications	97	37.02%
Support to develop new courses/content in emerging areas in my industry	69	26.34%
No support	22	8.40%

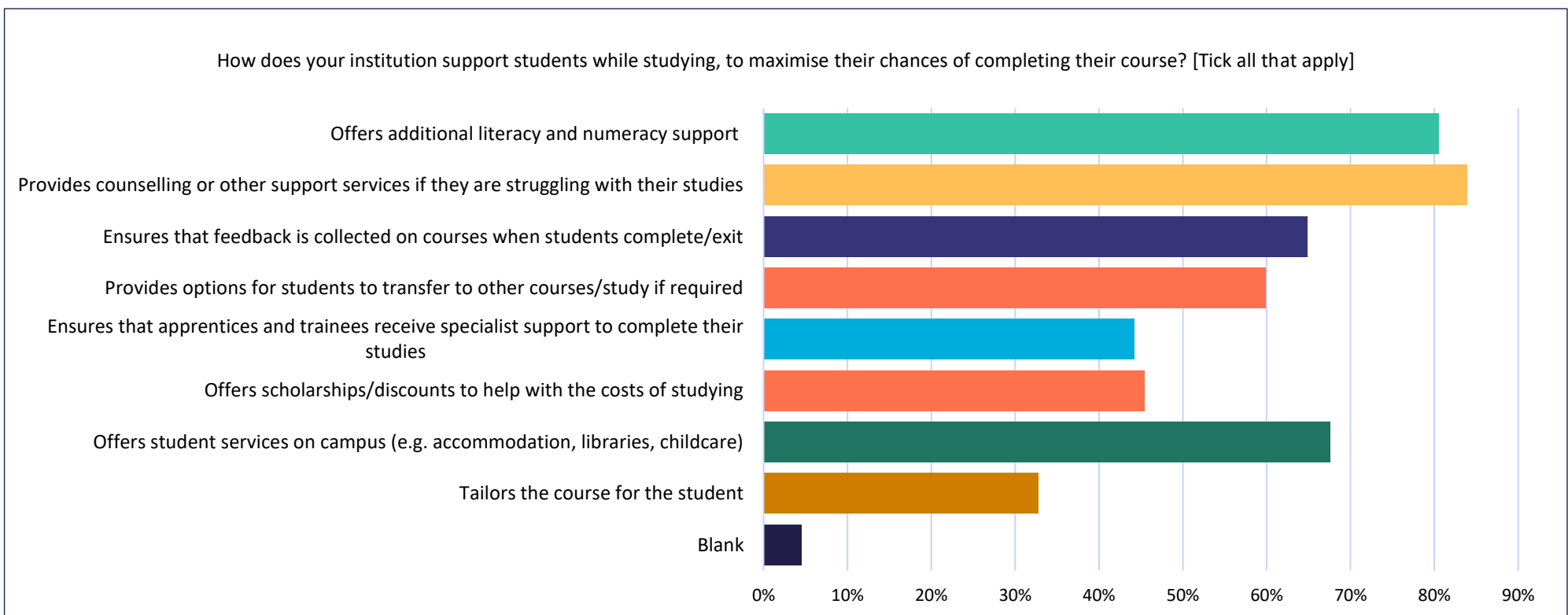


How does your institution support students to choose the course that is right for them? (Tick all that apply)

	Count	%
Careers advice through counsellors	154	58.78%
Careers advice delivered via web and other written information	139	53.05%
Careers advice provided to schools	194	74.05%
Pre-training assessments	164	62.60%
Regular updates about local skills needs and job prospects	68	25.95%
No support	16	6.11%
Blank	12	4.58%



How does your institution support students while studying, to maximise their chances of completing their course? (Tick all that apply)		
	Count	%
Offers additional literacy and numeracy support	211	80.53%
Provides counselling or other support services if they are struggling with their studies	220	83.97%
Ensures that feedback is collected on courses when students complete/exit	170	64.89%
Provides options for students to transfer to other courses/study if required	157	59.92%
Ensures that apprentices and trainees receive specialist support to complete their studies	116	44.27%
Offers scholarships/discounts to help with the costs of studying	119	45.42%
Offers student services on campus (e.g. accommodation, libraries, childcare)	177	67.56%
Tailors the course for the student	86	32.82%
Blank	12	4.58%



Employers

The employer survey was developed and published on the Engage Victoria website to coincide with the release of the Issues Paper in late March. Unfortunately, that sample was too small to make findings from the results.

In April 2020, the Review led a series of online discussions hosted by the Office of the Victorian Skills Commission to hear from members of the ten Industry Advisory Groups.

In June 2020, the Victorian Chamber of Commerce and Industry facilitated four roundtables with employer and industry training organisations from across the state. The roundtables were segmented by priority sectors including Agribusiness, Manufacturing, the Visitor Economy, and Health and Community Services.

The Review Team would like to thank the hosts and participants for their valuable contribution at each of the industry forums.

Submissions

The public submissions process opened on the Engage Victoria website on 24 March 2020 to coincide with the release of the Issues Paper. Submissions closed on 5 July 2020 after a thirty-day extension in recognition of the impact of COVID-19 on many of our stakeholders.

In total, **130** submissions were received from individuals and organisations in response to the Issues Paper. Readers will find references to the submissions throughout the report, other than where contributors have opted not to have their information published. 113 stakeholder submissions are published on the Skills for Victoria's Growing Economy website at www.skillsforvictoria.com.au.

Number of submissions

Total submissions	130⁶⁶²
Submissions from associations, institutes, organisations or businesses	113
Submissions from individuals	16
Submissions withdrawn	1

Stakeholder name

- 001 Name withheld
- 002 Name withheld
- 003 John Fischer
- 004 Mark Tonzing
- 005 Name withheld

⁶⁶² One submission was withdrawn (049) then re-submitted as a revised submission (083).

- 006 Rod Laird
- 007 Cross Border Commissioner
- 008 Incolink
- 009 Box Hill Institute
- 010 Oxygen College
- 011 Name withheld
- 012 Name withheld
- 013 Centre for Multicultural Youth
- 014 VET Development Centre
- 015 Mackenzie Research Institute (Part 1)
- 016 Name withheld
- 017 Mark (Name withheld)
- 018 Name withheld
- 019 Chris Bromley
- 020 Bendigo Kangan Institute
- 021 Name withheld
- 022 AMES Australia
- 023 Carers Australia
- 024 Ringwood Training
- 025 The Chartered Institute of Logistics and Transport
- 026 Name withheld
- 027 Mackenzie Research Institute (Part 2)
- 028 Neil Hauxwell
- 029 National Disability Services (NDS)
- 030 Skills Impact
- 031 The Smith Family
- 032 VSC IAG (Services Industry)
- 033 Holmesglen Institute
- 034 Katherine White
- 035 Victorian Water Industry Association (VicWater)
- 036 Civil Contractors Federation
- 037 Restaurant and Catering Australia
- 038 The Centre for Continuing Education
- 039 VicTESOL
- 040 Name withheld
- 041 Victorian Automobile Chamber of Commerce
- 042 VSC IAG (Pulp, Paper and Forestry)
- 043 Plumbing Industry Climate Action Centre
- 044 Independent Tertiary Education Council Australia
- 045 Name withheld
- 046 National Centre for Vocational Education Research
- 047 Professor Hal Swerissen
- 048 William Angliss Institute



- 049 Submission withdrawn
- 050 Hume Region – DEWLP
- 051 Neighbourhood Houses Victoria
- 052 Name withheld
- 053 Outdoors Victoria (Industry and Unions)
- 054 Master Builders Victoria
- 055 Buloke Shire and North Central LLEN
- 056 ACFE Board
- 057 Ethnic Communities Council of Victoria
- 058 Mandy Ellwood
- 059 Gforce Employment Solutions
- 060 Outdoors Victoria (Providers)
- 061 National Electrical and Communications Association
- 062 VETASSESS and eWorks
- 063 City of Greater Bendigo Youth Council
- 064 Victorian Farmers Federation
- 065 Marjorie Milner College
- 066 Swinburne University
- 067 Name withheld
- 068 Australian Nursing Midwifery Federation
- 069 SDA National
- 070 Apprenticeship Employment Network
- 071 Brimbank City Council
- 072 Brotherhood of St Laurence
- 073 Wodonga TAFE
- 074 RMIT College of Vocational Education
- 075 RMIT Policy, Strategy and Impact
- 076 Centre for Supply Chain and Logistics
- 077 La Trobe University
- 078 Australian Fire and Emergency Services Authorities Council
- 079 South West TAFE
- 080 Federation University
- 081 Dr Anne Denning
- 082 VSC IAG (Transport and Logistics)
- 083 Glaas Incorporated
- 084 Name withheld
- 085 Name withheld
- 086 Name withheld
- 087 Name withheld
- 088 AEU Vic submission
- 089 City of Greater Bendigo
- 090 North East Local Learning and Employment Network
- 091 Parents Victoria



- 092 Central Ranges Local Learning and Employment Network
- 093 Adult Learning Australia
- 094 University of Melbourne
- 095 Adult and Community Education Victoria
- 096 Gender Equity Victoria
- 097 NTEU ACE and Companies Branch
- 098 TAFE Gippsland
- 099 Victorian Council of Social Service
- 100 Communications and Information Technology Training Ltd and Australian Digital and Telecommunications Industry Association Incorporated
- 101 SuniTAFE
- 102 Eastern Region Group of Councils
- 103 Jesuit Social Services
- 104 RMIT and the Melbourne Sustainable Society Institute
- 105 AiGroup
- 106 GOTAFE
- 107 Name withheld
- 108 Centre for Excellence in Child and Family Welfare
- 109 Victorian Trades Hall Council
- 110 Young Workers Centre
- 111 Future Energy Skills
- 112 CFMEU Construction and General Division
- 113 Foundation for Young Australians
- 114 Housing Industry Association
- 115 Minerals Council of Australia
- 116 Victorian Aboriginal Education Association Inc
- 117 Dear Dyslexic Foundation and Dystech
- 118 Furnishing Industry Training Advisory Group
- 119 Community Services and Health Industry Training Board
- 120 Victorian Chamber of Commerce and Industry
- 121 Victorian Adult Literacy and Basic Education Council
- 122 Air Conditioning and Mechanical Contractors' Association
- 123 Melbourne Polytechnic
- 124 Francesco Pagliarella
- 125 Victorian TAFE Association
- 126 Australian Institute of Refrigeration, Air Conditioning and Heating
- 127 Victorian Alcohol and Drug Association
- 128 Mitchell Institute for Education and Health Policy
- 129 Banyule City Council
- 130 Victoria University



